



Washington, D.C. 20505

24 October 2017

Mr. Trevor Griffey

Long Beach, CA 90801

Reference: F-2014-00788

Dear Mr. Griffey:

This is a final response to your 31 January 2014 Freedom of Information Act (FOIA) request for a **complete copy of the CIA report "The Office of the Inspector General Jan 1952 – Dec 1971," completed in October 1973.** We processed your request in accordance with the FOIA, 5 U.S.C. § 552, as amended, and the CIA Information Act, 50 U.S.C. § 3141, as amended.

We completed a thorough search for records responsive to your request and located one document, consisting of 237 pages, which we can release in segregable form with deletions made on the basis of FOIA exemptions (b)(1) and (b)(3). A copy of the document and an explanation of exemptions are enclosed. Exemption (b)(3) pertains to information exempt from disclosure by statute. The relevant statutes are Section 6 of the Central Intelligence Agency Act of 1949, as amended, and Section 102A(i)(1) of the National Security Act of 1947, as amended. As the CIA Information and Privacy Coordinator, I am the CIA official responsible for this determination. You have the right to appeal this response to the Agency Release Panel, in my care, within 90 days from the date of this letter. Please include the basis of your appeal.

The cost associated with processing your request amounts to \$13.70. This consists of reproduction of 137 pages at a rate of .10 cents per page. As a requester in the "All Other" category, you are responsible for the cost of processing your request for reproduction charges beyond the first 100 pages. Please send your check or money order in the amount of \$13.70 payable to the **Treasurer of the United States** citing F-2014-00788 to ensure proper credit to your account.

If you have any questions regarding our response, you may contact us at:

Central Intelligence Agency
Washington, DC 20505
Information and Privacy Coordinator
703-613-3007 (Fax)

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National Archives and Records Administration
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College Park, MD 20740-6001
202-741-5770
877-864-6448
202-741-5769 (fax)
ogis@nara.gov

Contacting the CIA's FOIA Public Liaison or OGIS does not affect your right to pursue an administrative appeal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allison Fong', with a long horizontal flourish extending to the right.

Allison Fong
Information and Privacy Coordinator

Enclosures

Explanation of Exemptions

Freedom of Information Act:

- (b)(1) exempts from disclosure information currently and properly classified, pursuant to an Executive Order;
- (b)(2) exempts from disclosure information which pertains solely to the internal personnel rules and practices of the Agency;
- (b)(3) exempts from disclosure information that another federal statute protects, provided that the other federal statute either requires that the matters be withheld, or establishes particular criteria for withholding or refers to particular types of matters to be withheld. The (b)(3) statutes upon which the CIA relies include, but are not limited to, the CIA Act of 1949;
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- (b)(6) exempts from disclosure information from personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of privacy;
- (b)(7) exempts from disclosure information compiled for law enforcement purposes to the extent that the production of the information (A) could reasonably be expected to interfere with enforcement proceedings; (B) would deprive a person of a right to a fair trial or an impartial adjudication; (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy; (D) could reasonably be expected to disclose the identity of a confidential source or, in the case of information compiled by a criminal law enforcement authority in the course of a criminal investigation or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source ; (E) would disclose techniques and procedures for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law; or (F) could reasonably be expected to endanger any individual's life or physical safety;
- (b)(8) exempts from disclosure information contained in reports or related to examination, operating, or condition reports prepared by, or on behalf of, or for use of an agency responsible for regulating or supervising financial institutions; and
- (b)(9) exempts from disclosure geological and geophysical information and data, including maps, concerning wells.

April 2012

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THE OFFICE OF THE INSPECTOR GENERAL
JANUARY 1952 - DECEMBER 1971

~~Secret~~

DCI-7

October 1973

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THE OFFICE OF THE INSPECTOR GENERAL
JANUARY 1952 - DECEMBER 1971

DCI-7

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by

Kenneth E. Greer

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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~~SECRET~~Foreword

This history of the Office of the Inspector General traces the development and performance of the inspection function under four successive Inspectors General, beginning with the appointment of the first on 1 January 1952 and ending with the departure of the fourth on 16 December 1971.

There are three exclusions of matters that fit more appropriately into other histories. References are made to each at relevant points in the chronology, but none is treated in detail. The first is of the performance of the inspection function from mid-1947 through 1951, when it was assigned to the component now known as the Office of Security. The second is of certain functions performed for the Director by our first two Inspectors General, which were wholly unrelated to the mission of the Inspector General. The third is of the Audit Staff, which is now organizationally part of the Office of the Inspector General, but for which a separate history has been written (CIA Historical Series, DCI-5).

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This history was written by an officer who was assigned to the Inspection Staff during all of the Stewart years and all but the first eight weeks of the Earman years. He worked (and suffered) with Earman on the three reports dealing with the Cuban missile crisis and with Stewart on the massive Sam Adams case. The author is perhaps too close to the events of the past decade to view them objectively; thus, allowance must be made for a certain amount of unintended and unknowing bias.

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Office of the Inspector General

January 1952 - December 1971

Chapter 1

The Inspection Function Prior to 1952

The position of Executive for Inspections* and Security was established effective 1 July 1947 "to provide overall inspection, audit, and security ... service for CIG." 1/** Inspections and Security subsequently evolved into the present-day Office of Security; thus, the performance of the inspection function during the period July 1947 through October 1951 should properly be included in the history of the Office of Security. The treatment of that period in this history of the Office of the Inspector General is limited to a brief recital of the organizational changes affecting the inspection function and of the

* Referred to as "Inspection and Security" in subsequent Agency issuances.

** For serially numbered source references, see Appendix D.

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progressive refinements in the definition of the function, culminating in the establishment of the position of Inspector General.

The General Order that established the position of Executive for Inspections and Security did not define the inspection function, but it is evident that the function did not include review of Agency management practices. The General Order established the position of Executive for Administration and Management and transferred to it the functions of the Advisor for Management, which formerly were lodged in the Interdepartmental Coordinating and Planning Staff.

A published statement of organization and functions for CIA appeared on 1 January 1949. Inspection and Security then consisted of four branches: Employee Investigative, Inspection, Audit, and Security. The mission of the Inspection Branch was stated thus:

Conducts special inspections and investigations. Inspects on a continuous basis the utilization, maintenance, and disposition of CIA property, equipment and supplies, and evaluates the property procurement program. 2/

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Subsequent revisions of the Agency regulation on organization changed the title of the office and of its chief, but the statement of mission and functions remained unchanged until 19 January 1951, when a revision of CIA Regulation [] was published. (b)(3)

Two of the functions listed for the Assistant Deputy (Inspection and Security) [under the Deputy Director (Administration)] were: "Perform audits of unvouchered funds and all property" and "Make inspections, investigations and reports as directed." 3/

That assignment of functions remained in effect only until 18 April 1951, when CIA Regulation [] was again revised. (b)(3)

The April revision established an Audit Office under the Deputy Director (Administration) and assigned to it the responsibility for performing audits of unvouchered funds and all property. 4/

Making "inspections, investigations and reports as directed" remained as a function of the Assistant Deputy (Inspection and Security), but the wording of the statement of his mission was changed to limit the inspection role to "the performance of certain special security inspection functions." 5/

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This organizational arrangement was still in effect when Stuart Hedden entered on duty on 30 October 1951 as a Special Assistant to the Director but earmarked to be the Agency's first Inspector General.* 6/ Hedden assumed the inspection function beginning in November 1951 and was named to the newly established position of Inspector General effective 1 January 1952. 7/ Hedden's assignment as Inspector General was accomplished in the context of creating a new function, rather than of transferring an existing function from one official to another. He inherited no files nor personnel from Inspection and Security. The inspection function as it was performed prior to 1952 bore little resemblance to the inspection role assigned to Stuart Hedden and even less to the expanded roles of his successors.

* For a roster of Inspectors General and their staffs, see Appendix A.

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Chapter II

The Hedden Years, October 1951 - January 1953

Stuart Hedden first came to General Smith's attention as a prospective Agency official early in the summer of 1951. Hedden was then 52 years old and had retired at age 40 from a successful career as a lawyer, investment banker, and industrialist. He had retained his memberships on the boards of directors of a number of corporations 8/ and also served as the legal representative in America of Boris Hagelin, a Europe-based manufacturer of cryptographic devices. Hedden had been dealing with General Smith in this latter capacity in early 1951.

Hedden's employment was under consideration at least as early as June 1951, although not necessarily in the capacity of Inspector General. 9/ John Earman, who was then an assistant to the Director, remembers Hedden calling on General Smith, probably early in September 1951, and that Smith commented after the meeting that he had found Hedden to be a hard-headed man whom he planned to make his Inspector General.

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At his morning meeting with his deputies on 11 September, General Smith asked William Jackson what he thought of Hedden as a candidate for the job of Inspector General. Jackson's reply was in the negative, noting that Hedden would need much training before he would be qualified for the role. General Smith remarked, somewhat testily, that he naturally expected Hedden would have at least six months of training and experience in the Agency before undertaking the duties of Inspector General. 10/ Smith repeated the question on 16 October. Jackson's response again was negative, although he said that he had no doubts concerning Hedden's character and ability. 11/ Hedden had completed his Personal History Statement on 15 October 12/, which suggests that Smith had already decided on the hiring of Hedden well before his repeat query to Jackson on 16 October.

Hedden was granted a provisional clearance for full duty with CIA on 30 October 1951 under a special approval authority reserved to the Director. 13/ He entered on duty that same day as a Special Assistant to the Director, GS-16. 14/ It seems likely that the initial designation as Special Assistant, rather than

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an Inspector General, was for the purpose of allowing General Smith to observe Hedden's performance on the job before committing him to the post intended for him. It may also have been an administrative convenience made necessary by the fact that the position of Inspector General had not yet been established.

Although not yet carrying the official title, it is clear that Hedden immediately began working as if he were an Inspector General. The inspection function, without the title, had been performed for some time before Hedden's arrival by William Jackson, and Hedden merely joined Jackson and worked with Jackson during Hedden's early weeks with the Agency. 15/ The earliest record of Hedden's activities in his inspection role is a reference dated 13 November 1951 to a survey that he made with Jackson of the Office of Operations in which he recommended that the Office of Operations be transferred to the DD/I. 16/

Hedden was also engaged beginning in November 1951 and continuing for several weeks thereafter in a study of the feasibility of establishing a separate administrative office under the DD/P. His draft report in the form of a memorandum for Jackson, dated 26 November

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1951, recommended in favor of a separate DD/P administrative structure. 17/ He also conducted a survey of the Office of Current Intelligence during the period 19-30 November 1951.* The report of survey, which was issued on 7 December 1951, concentrated on administrative matters and made no significant recommendations. 18/ The last survey begun in 1951, probably sometime in early December, was of the Office of Scientific Intelligence and was made with the assistance of Dr. Edward L. Bowles, an OSI consultant from the Massachusetts Institute of Technology.

The first draft of the Agency Notice appointing Stuart Hedden as Inspector General is dated 28 December 1951. 19/ His position title as given in the original draft was "... Assistant Director to serve on the staff of the Director of Central Intelligence with the duties of Inspector." Handwritten editing of the draft changed the text to read "... is appointed Inspector with the rank of Assistant Director." An Office Message dated 28 December 1951 to Walter R. Wolf, the DDA, records the substance of a telephone

* For a list of component surveys, see Appendix B.

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call to Wolf from the Director. The message reads: "In getting out the order covering Mr. Hedden's appointment, Gen. Smith wants 'with the rank of Assistant Director' left out. He wants Mr. Hedden to be designated as just 'Inspector.'" 20/ When the notice was issued on 2 January 1953, over Director Smith's signature, the applicable paragraph read: "Effective 1 January 1952, Mr. Stuart Hedden is appointed Inspector General." 21/

There is nothing in the available records indicating how the confusion over the precise job title arose. Hedden had carried the title of Special Assistant to the Director prior to January 1952 and may have been referred to unofficially as "the Inspector." The DD/P was still calling him "the Inspector" as late as May 1952. 22/ General Smith's clarification of what he wanted as a job title for Hedden is important to the record. By deleting "with the rank of Assistant Director," he removed from the title any possible connotation of command responsibility for the Inspector General.

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Hedden was transferred from the position of Special Assistant to the Director to the position of Inspector General and was simultaneously promoted from GS-16 to GS-18 effective 1 January 1952. 23/ He began keeping an official diary the following day in which he recorded telephone calls, meetings, and other significant events. It is the best, and sometimes the only, surviving source of information on Hedden's activities -- especially of those things he did for the Director that were unrelated to his role as Inspector General. He noted on 2 January, for example, that he "continued OSI survey," the earliest indication that a survey of OSI had been started. Other diary entries in early January reveal that he was already serving as a member of the Project Review Committee and that he was intimately involved with Thomas Corcoran in trying to secure the release of certain airplanes claimed by Civil Air Transport, Inc. but impounded in Hong Kong. This latter activity occupied Hedden's attention for several months and was the beginning of a continuing relationship between Corcoran and

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Hedden, as the Director's representative, on other intelligence matters.*

The survey of the Office of Scientific Intelligence continued through January 1952, but from the other subjects that were occupying Hedden's time it may be inferred that the bulk of the work was being done by the consultant, Dr. Bowles. Hedden himself was engaged in a survey of the unclassified personnel holding and training pools, which resulted from complaints that were discussed at the Deputies' meeting on 4 January. 24/ His report was issued on 8 January and included among its recommendations the separation of covert from overt employees in the pools and the transfer of training responsibility from Personnel

* CATI had bought the assets of two Chinese airlines from the Nationalist Government and Pan American Airways, but pro-Communist employees of the lines were trying to deliver the planes to the Communist administration set up to take over the assets of the two airlines. The Hong Kong Supreme Court had ruled in favor of the Communists, and the American claimants had appealed to the Privy Council. Meanwhile, the planes were being held by the Hong Kong Aviation Department. Eventually, the Privy Council ruled in favor of CATI, and the planes were removed from Hong Kong.

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to Training. 25/ Although the basic report was finished by 8 January, it generated a series of memorandums on follow-up actions continuing through February.

An Agency notice was published on 10 January 1952 announcing that the Inspector General would be in his office from 2 p.m. until 6 p.m. on the first and third Monday of each month to hear, on a confidential basis, complaints or constructive suggestions that had not been satisfactorily handled through normal channels. The notice stated that anyone in CIA would be welcome at those times. 26/ The notice was meaningless in practice; Hedden received complaints at the convenience of the complainant and without regard for his announced office hours.

L. K. White sent a note to Hedden informing him that the above notice was being issued and pointing out that it made no provision for receiving complaints from employees assigned outside the Washington area. White suggested the possibility of designating a Post Office Box or some other means of addressing correspondence so that it would reach the Inspector General unopened. Hedden added this

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handwritten comment at the bottom of White's note:

"Thanks. Let's wait and see if any of them write to me by name. I am inclined to think field people will have to wait until I visit them."* 27/

On 21 January 1952, Hedden spoke with [redacted]

(b)(1)

(b)(3)

[redacted]
[redacted] This was the

beginning of Hedden's involvement [redacted]

(b)(1)

(b)(3)

[redacted] in covert action that culminated in 1954 in the ousting of the Arbenz regime in Guatemala. His diary records almost daily conversations or meetings dealing with the operation, extending through his final days with the Agency and covering such topics as the military capabilities of the plotters and the means of procuring and shipping weapons to them.

(b)(1)

(b)(3)

It is clear that Hedden had no command responsibility for the conducting of the Guatemalan operation, but it is equally clear that he played a prominent role in it as the Director's spokesman in negotiations with the principals. This diary entry of 7 July 1952 is illustrative.

* A means by which field personnel could communicate directly and on a confidential basis with the Inspector General was not provided until May 1955. See p. 62, below. 28/

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(b)(3)

Hedden was also engaged during the early months of 1952 in a number of other activities having little or no connection with his duties as Inspector General. He was negotiating on behalf of the Armed Forces Security Agency for the purchase of certain cryptographic devices from their European inventors. 30/ He pursued this matter during his survey trip to Europe in May and June and remained in correspondence with the European principals during the remainder of his service with the Agency.*

(b)(1)
(b)(3)

* Hedden's entree to cryptographic circles came from his having previously been the owner of the Hagelin Cryptograph Co., which produced the M-209 cipher device for the U.S. Army Signal Corps during World War II. 31/

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(b)(3)(b)(1)
(b)(3)

The Inspector General's report of survey of the Office of Scientific Intelligence was completed in February 1952. Unlike Hedden's other "surveys," which were limited in scope and in depth, this was a true survey as the term came to be understood by his successors. As a result of his and Dr. Bowles' inquiries, Hedden concluded that OSI had declared for itself a statement of mission and functions not envisioned in existing policy authorizations (DCID 3/3, dated 28 October 1949) and that the military services had issued internal directives that also were in conflict with the authorizations. He found that the coordinating mechanisms set up under NSCID No. 3 were working well in the field of atomic energy and reasonably well in the field of chemistry, but that the subcommittees on electronics, guided missiles,

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and chemical warfare had been voted abolished. He concluded that:

A good case can be made that the ideal to meet the national requirements of scientific and technical intelligence would be a strong centralized group under single direction. Regardless of the ideal, it seems clear that the services will not forego independent scientific and technical intelligence production, nor is it important to CIA that American collection and production be on an ideal basis so long as the job is done to the utmost of the capabilities of the combined intelligence community. 33/

Hedden proposed that the NSC directives be revised to reflect the situation as it then existed. In the resulting revision, the most important change brought about was a separation between *scientific* and *technical* intelligence. OSI was assigned responsibility for basic scientific intelligence, and the military agencies were made responsible for technical intelligence relating to weapons and means of warfare that had been reduced to known prototypes.* 34/

* Subsequent IG surveys of OSI in 1954 and again in 1964 found that the division of labor proposed by Hedden, while perhaps sound in theory, was a failure in practice. OSI's full charter was restored by DCID No. 3/5 (New Series), "Production of Scientific and Technical Intelligence," 3 February 1959.

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Because Hedden's 1952 report of survey of OSI made recommendations affecting the scientific and technical intelligence responsibilities of the military services, it was decided that copies of the report would be distributed outside the Agency.

Hedden attended the 18 February meeting of the Intelligence Advisory Committee (IAC) "to discuss the scientific intelligence problem." 35/ The Director announced at that meeting that the report would be distributed to IAC members 36/, and Hedden forwarded copies to Army, Navy, Air, AEC, and JCS on 19 February. 37/

From mid-February through March 1952 Hedden was occupied with a number of matters, only one of which was of real historical significance. He conducted a "survey of Inspection and Security," which was in reality confined to reviewing the security briefings given to new employees. 38/

(b)(1)

(b)(3)

(b)(1)

(b)(3)

The significant development during this period was the approval, although not the publication, of the

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first statement of mission and functions of the Inspector General. The need for such a statement was first noted by L. K. White in a memorandum to the DD/A on 16 January 1952. White pointed out that "we are a civilian, not a military, organization and that the functions of an Inspector General probably are not well understood by everyone." White proposed that he have Mr. Peel, the Management Officer, work directly with Hedden in preparing the needed statement. 40/

Peel called Hedden the following week and asked for an outline of mission and functions of the Inspector General for CIA Regulation ☐ Hedden promised to prepare a draft. 41/ The surviving draft carries this notation in Hedden's handwriting: "... Above approved by DCI 3/4/52. DCI also approved holding this until revised CIA ☐ comes out." The draft approved by General Smith did not include a statement of mission, but it did list four functions for the Inspector General, as follows:

(b)(3)

(b)(3)

- A. Study and make recommendations with respect to the missions performed by the several Offices of the Agency and with respect to such ways and means as may assist the Offices of the Agency

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more fully to perform their respective functions.

- B. Make recommendations with respect to the proper assignment of missions and functions in the over-all interests of the Agency.
- C. Provide a forum where Agency personnel may, on a highly confidential basis, confide suggestions or complaints which have not received satisfactory consideration through regular channels of command or through the procedures provided for in CIA Regulation [] and make recommendations for the correction of any unsatisfactory situations so disclosed.
- D. Perform such other functions as may be determined by the Director.

(b)(3)

As was noted previously, this statement of functions was not published during Hedden's tour as Inspector General. Publication was first deferred pending a planned revision of CIA Regulation [] and was further postponed awaiting a restructuring of the Agency regulatory issuances. The statement first appeared as a published regulation in [] dated 20 March 1953, some two months after Hedden's resignation. [] included a statement of mission, which the earlier draft lacked. The text of the statement of functions differed slightly from the text approved by Director Smith in March 1952 but was identical with

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that of an undated draft in Hedden's files bearing the handwritten notation "dup cy sent to Mr. Peel 7/10 [1952]." Thus, it would appear that the statement of mission and functions published after Hedden's departure was essentially identical with Hedden's own understanding of his responsibilities as Inspector General. This is the text as it was published.

4. MISSION

The Inspector General is charged with conducting investigations throughout the Agency on behalf of the Director and with inspecting throughout the Agency the performance of missions and exercise of functions of all CIA offices and personnel.

5. FUNCTIONS

The Inspector General shall:

- a. Make recommendations with respect to the missions prescribed for the several Offices of the Agency and with respect to such procedures and methods as may assist the Offices of the Agency more fully to perform their respective functions.
- b. Make recommendations with respect to the proper assignment of missions and functions in the overall interests of the Agency.
- c. Provide a forum where Agency personnel may, on a highly confidential basis, confide suggestions or complaints which have not received satisfactory consideration through regular channels of command or through the procedures provided for in CIA Regulation

(b)(3)

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- d. Perform such other functions as may be determined by the Director.

Hedden took on an assistant in April 1952, a former Foreign Service Officer named Willard Galbraith. The earliest reference to Galbraith is in a Hedden diary entry of 24 March 1952 in which he noted that "Col. King said he would still like to have Mr. Galbraith even if he did resign from State." Years later, Kirkpatrick, in a memorandum dealing with the manning of the Inspector General Staff, recorded that Galbraith had been released by State for refusing an assignment. 42/ The precise circumstances of Galbraith's resignation from State and his employment by CIA in the Office of the Inspector General cannot now be reconstructed.

(b)(1)
(b)(3)

He entered on duty with the Office of the Inspector General on 13 April 1952. 43/

(b)(1)
(b)(3)

A sequence of events beginning in early April 1952 culminated in mid-May in the signing of an

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agreement among Hedden, the DD/P, the AD/SO, the AD/PC, and the AD/CO clarifying the command relationships between the Inspector General and the operating components and establishing ground rules for the conducting of IG investigations. The surviving records provide a reasonably straightforward account of the events that led to the signing of the agreement, but they do not reveal the full extent of the professional animosity that prevailed between the Inspector General and the DD/P, who was then Frank Wisner. There are numerous entries in Hedden's diary recording meetings with the DD/P during the early months of Hedden's service as Inspector General, but there are few indications as to the substance of the talks and none at all as to their flavor. However, [REDACTED] (b)(3) [REDACTED], Hedden's secretary, recalls that the two men did not get along at all well and that many of their meetings were marked by heated exchanges. The agreement probably was an outgrowth of frictions existing between the DD/P and the Inspector General on a variety of subjects, but the impetus for it was provided by two unrelated developments involving Inspector General recommendations to the Director to which the DD/P strongly objected.

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The chronology of this particular episode began on 1 April 1952 when Hedden met with Dr. Gibbons, of the Technical Services Staff, to discuss the need for an expansion of the TSS research program. 44/ Their talks culminated in a proposal to the Project Review Committee for the establishing of an \$8 million per year research program under the directorship of Admiral de Florez. 45/ Hedden wrote the proposal himself, which seems out of keeping with his role as Inspector General. In preparation for the writing of the proposal, Hedden made a two-day "survey" of TSS, which resulted in a memorandum from Hedden to the Director recommending improvements in [REDACTED]

(b)(1)
(b)(3)

46/ Hedden's recommendations appear to have been based largely on the substance of a memorandum submitted to him, at his request, by an employee of [REDACTED]

(b)(1)
(b)(3)

[REDACTED] A detailed survey of the branch might have resulted in essentially the same recommendations, but the DD/P's own investigation of

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(b)(3)

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the situation in the branch disclosed that Hedden's strong recommendations were narrowly supported. The DD/P objected to the Inspector General's having gone forward as he did with so little in hand.

Within the same time frame as [REDACTED] (b)(1)

[REDACTED] Hedden recommended to the Director an independent evaluation [REDACTED]

[REDACTED] and naming people who might make the (b)(1)
(b)(3)
evaluation. Simultaneously, a memorandum on the same subject, but proposing a different team of evaluators, was prepared for Wisner by Gerald Miller. Unhappily for those concerned, the two differing proposals reached General Smith at about the same time, without Wisner having seen either of them, and the Director was furious.

Smith called Wisner in and demanded an explanation of the faulty staff work on the proposals for the evaluation [REDACTED] and of the conflicting (b)(1)
(b)(3)
information he had received on the quality of documentation. Smith told Wisner that he and his operations people should not be so sensitive to criticism from the Inspector General since, by its very nature, the inspection function involved criticizing and making

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recommendations for improvements. Smith added that the operations people should expect that a certain percentage of their plans and proposals would be turned down when they reached higher levels, as this is normal in any organization. 47/

Wisner replied that he was pleased that the Director had raised these matters with him, since he had planned to raise them with the Director himself in the near future. He said that he realized that certain of his proposals would be turned down, but that he expected that criticisms would be based on accurate renderings of the facts and that projects would be turned down by persons responsible for substantive consideration of them -- and not by the Inspector General. Wisner referred to recent instances in which the Inspector General had interfered in the chain of command and had issued instructions to Wisner's people concerning operational matters. Further, Hedden had rested his recommendation to the Director on "incomplete and half-baked investigations" in which he had taken the testimony of only one or two witnesses who knew only a fraction of the whole picture. 48/

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Wisner asked for an early meeting of the Director with Hedden and Wisner and his four principal staff officers. The Director declined to call such a meeting, preferring instead that the others meet and work out their differences. Any unresolved points could be referred to him for decision. 49/

Concerning the charge that Hedden was interfering in the chain of command, the Director authorized Wisner to inform his subordinates that they could ignore any orders or requests from Hedden that did not fall within the scope of his responsibilities as Inspector General. On the other hand, DD/P officers should respond, and promptly, to any requests from Hedden for information. With regard to the charge that Hedden's recommendations were based on one-sided or incomplete information, the Director said that Hedden could handle his job in this fashion if he so chose but that the reports did not achieve credibility for that reason. The Director said that he did not intend to take action on Inspector General reports until he had discussed them with the principal staff officer concerned, and there would always be an

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opportunity to get in the other side of the story.* 50/

In compliance with the Director's instructions, a meeting was held on 13 May 1952 among Colonel Johnston (AD/PC), General McClelland (AD/CO), Wisner (DD/P), Helms (Acting AD/SO), Miller (Deputy AD/PC), and Hedden. The meeting resulted in a memorandum for the record, signed by the participants, setting forth the terms of the agreements. In sum, it was agreed that the AD/PC would brief the Inspector General on the nature and extent of the OPC mission and on all programs and major projects and the problems relating to them, which suggests that the Inspector General was not then privy to all of them. It was further agreed that in the future the Inspector General would notify the AD/SO or AD/PC, as appropriate, whenever a project was to be investigated, along with

* The only surviving record of the Director's views on this subject is in the form of a memorandum prepared by Wisner on 2 May 1952 following his meeting with the Director. It would be interesting to know what, if anything, Smith said to Hedden on the matter and how Hedden interpreted the Director's views. It is unfortunate from the standpoint of history that Hedden kept no records of what was discussed in his almost daily meetings with the Director.

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a statement of the objective of the investigation. The Inspector General might call on any echelon to report on any subject of a matter under investigation and the report would be forwarded directly to the Inspector General without editing by higher echelons. Simultaneously, a duplicate of the report would be forwarded to the Inspector General, through channels, for comment or assent by higher echelons. It was also agreed that the Inspector General's report of inspection would not be placed before the Director prior to receipt of the copy of the report that was forwarded through channels.* 51/

Hedden stated that he wanted to make it very clear to all concerned that he did not consider himself to be in the chain of command over operations nor to have the authority to issue orders to operational personnel. He said that he would appreciate having brought to his attention any instance in which one of his requests for information had been misconstrued as an order. 52/

* From reviewing Hedden's records, it is evident that this cumbersome arrangement was never put into practice.

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Hedden added a handwritten comment at the bottom of his file copy of the memorandum agreement in which he noted that "I am a bit shocked that anyone thought it necessary, or that any worthwhile purpose would be served, by reducing this to writing." 53/

Other things were going on in March, April, and May 1952, but they seem, in retrospect, rather trivial in comparison with the problem of sorting out command relationships between the Inspector General and the DD/P. The General Counsel proposed on 11 March that Hedden be made a member of the Loyalty Board 54/, and subsequent diary entries make it clear that he did serve on the board. He also noted in a diary entry of 26 March that he attended a budget hearing before the House Appropriations Committee. Willard Galbraith, who entered on duty with the Inspector General on 13 April, reviewed a request for [REDACTED]

(b)(1)

(b)(3)

[REDACTED] 55/ Much of April and early May was spent by Hedden in preparing for an inspection trip to CIA stations in Western and Eastern Europe.

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Hedden's survey of certain of the European stations was made between 19 May and 20 June 1952. He was accompanied on at least a portion of the trip by the AD/SO, then Lyman Kirkpatrick. [REDACTED] (b)(3)

[REDACTED] Hedden's secretary, recalls that Kirkpatrick's accompanying Hedden was treated as a sort of office joke. Kirkpatrick had only recently returned from Europe, and the need for him to make another trip at just this time was solely so that he could serve as the DD/P's "watch dog" on the Inspector General. Although nothing was said openly, it was tacitly understood that this was the case. The cable alerting field stations to Hedden's arrival stated that the purpose of his trip was "for IG to acquaint himself with field operations and personnel and to survey certain specific problems for [The Director]." Hedden transmitted trip reports from the stations he visited, and upon his return he submitted a six-page report to the Director summarizing his findings and conclusions. The report covered a variety of operational and administrative matters, but in little more than outline form. It contained no formal recommendations, but it did include a number of suggestions that may have had the force of recommendations. 56/

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There is little available evidence of what Willard Galbraith may have been doing during this period. He did prepare a quite detailed report on

which was completed in August 1952. 57/ Presumably, he also was acting Inspector General during Hedden's absence. If this is so, he generated no correspondence that has survived in the written record. Hedden's former secretary had the impression that Hedden, ordinarily an astute judge of people, realized that he had made a mistake in the case of Galbraith and regretted having hired him. There is relatively little documentation on the nature of their working relationship, but the tone of what there is suggests that it was neither close nor cordial.

(b)(1)
(b)(3)

Hedden's last major activity as Inspector General before submitting his resignation was a survey trip to field stations in the Far East and Near East areas. The trip began on 29 September and ended on 17 November 1952. The announced purpose of the trip was the same as that for his trip to Europe a few months earlier. He took his wife with him -- at his own expense. His report to the Director was submitted in increments

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in the form of trip reports from each station. He did not submit a consolidated report of his observations upon his return. 58/

Hedden submitted a memorandum to the Director on 5 January 1953 entitled "1953 Problems." The problems he listed might have been matters that would have occupied his attention had he planned to remain indefinitely as Inspector General. He referred to them in his lead paragraph as "organizational and functional problems which should be resolved if this Agency is to fulfill its major intelligence functions efficiently." The problems that Hedden enumerated are relevant to the history of his period as Inspector General, because they are illustrative of the grasp he had acquired of our covert operations and of the way they were managed. Clearly, he did not think much of the way they were being run.

a. We are grossly overstaffed, primarily in the covert divisions I believe a major reduction in force is called for, choosing only the ablest people and letting the others go.

b. If a reduction as above is effected, the Personnel Office can be reoriented as a Personnel Relations Office, a function which is not adequately performed today.

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c. The time has also come for a serious and critical appraisal of the Defector Program. It is a very expensive program and I have serious doubts that the results can possibly justify its continuance.

d. We have also learned by experience, the only way it could be learned, that we are not particularly fitted to engage in paramilitary activities The whole of our stay behind and E and E activities should be critically reviewed.

e. Plans have already been laid to review our psychological warfare program. It is clear to me that generally speaking it has not been a well organized, well designed and well administered program.

f. It is also submitted that the time has come for a reappraisal of all our border crossing operations My guess is that except in active theaters of war such as Korea, the material is necessarily of such low level that the expense, the risk and the time devoted is not justified.

g. There are, of course, many other problems which must be solved before we have a streamlined and effective intelligence service. For example, a study must some day be made of ways to reduce the volume of paper which we are producing and handling on the intelligence side. The above, however, are the more immediate problems which seem to me ripe for immediate consideration and constitute a large enough, perhaps too large, program for consideration in 1953.

The Hedden era of the Office of the Inspector General came to an end with Hedden's resignation, which was effective with the close of business 19 January 1953.

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The resignation was accomplished by memorandum to the Director of Central Intelligence dated 13 January 1953 after it became known that General Smith was leaving the Agency. 59/ Hedden pointed out that it had been understood from the beginning that his own commitment to the Agency would not extend beyond the tenure of General Smith as Director. With General Smith about to leave, Hedden felt free to consult only his own convenience in the matter. He expressed his concern that his resignation not be interpreted as a lack of confidence in the new Director, whoever he might be, especially if Allen Dulles were named as the successor. Hedden is on record with the statement that he hoped that Dulles would be named, his true preference reportedly was William Donovan. 60/

Mr. Dulles was indeed chosen as the new Director, and he named Lyman Kirkpatrick as his new Inspector General replacing Stuart Hedden. The last entry in the written record of the Hedden era is in the form of a handwritten personal letter from Hedden to Kirkpatrick dated 15 April 1953. The following excerpts from it reveal Hedden's perspective on the job:

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... May I give you a hint? I insist that Allen agree that you are to be responsible only to him, and are to take orders only from him. I do not think you will have any problem getting Allen to back you up thoroughly. But that too is important. He must rely on you clearing with him first on matters which are that important, but once you have cleared, or decided not to, it is vital that he back you to the limit and allow no appeal over your head. The importance of being responsible only to Allen is that his deputies can crucify you and nullify your effectiveness when they understand thoroughly that you can move in on any of them any time you think necessary, and report on *their* shortcomings -- and virtues.

As I grew older in the organization and came to know it well, it became more and more evident to me that the most useful function I could perform was to sit and think; to think about the advisability of each course of action and each major program the Agency undertakes. *No other top officer* does this. And no other has time to. The demands of command make it impossible. We were doing a lot of things which just couldn't stand up under scrutiny. Stop a couple such a year, and you will earn your stipend times over.

One that I planned to get to was the relevance of the detailed research which is done. Others I have mentioned to you.

While serving with the Agency, Hedden had remained active in the affairs of Wesleyan University. Many of the entries in his diary recorded calls from or meetings with other people who were similarly interested

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in supporting the school. Hedden noted in a postscript to his letter to Kirkpatrick that he was "busier than ever -- mainly helping to make Wesleyan all it should be."

On balance, Hedden was probably a good choice as the Agency's first Inspector General. He came to the Agency knowing very little about it, served a two-month apprenticeship before taking over as Inspector General, and then left the post after occupying it for little more than one year. The qualifications that he brought to the job -- maturity, judgment, and decisiveness -- more than offset his ignorance of the Agency and of its business. In fact, his ignorance of the Agency may have been a net plus: he brought no preconceptions to the job, and he was unfettered by prior allegiances or alliances. He clearly held General Smith in high regard, and it is equally clear that the Director had confidence in Hedden, both as his Inspector General and as his personal representative.

In comparing Hedden's work with that of later Inspectors General, it is evident that he made little progress during his short stay in launching a formal

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inspection program. Indeed, it may be inferred that this was not his intention. He saw no need for a staff beyond himself, a secretary, and one assistant. He was less concerned with how well a particular component was doing its total job than with how well individual functions or operations were being carried out -- and with whether they were even necessary.

What Hedden did accomplish during his brief tenure was to establish the role of the Inspector General in the Agency's scheme of things, laying the basis for the consolidation, refinement, and expansion of the function by his successors.

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Chapter III

The Kirkpatrick Years, April 1953 - April 1962

President Eisenhower announced the appointment of Allen W. Dulles as Director of Central Intelligence on 24 January 1953, and he was sworn in on 26 February. 61/ Dulles had no one in mind to replace Hedden as Inspector General; in fact, Dulles had little understanding of the role of the Inspector General in Agency affairs. 62/ Upon Hedden's departure, Willard Gilbraith assumed the role of Acting Inspector General, although he was never officially designated as such. Dulles continued General Smith's practice of meeting daily with the Deputy Directors and other top Agency officials, but Galbraith did not replace Hedden as a participant. 63/ Galbraith had an Agency Notice issued on 10 March 1953 announcing that the Acting Inspector General would be in his office during regular Agency working hours each Monday to hear complaints or constructive suggestions. 64/ The first official statement of mission and functions of the Inspector General, which had been drafted by

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Hedden, was published on 20 March 1953. 65/ Presumably Galbraith was working on something during the period from 20 January through the end of March 1953, but the surviving records give no indication of what it might have been.

Lyman B. Kirkpatrick, who was then AD/SO, was stricken with polio on 20 July 1952 and was hospitalized until 27 March 1953. 66/ The polio left him partially paralyzed and destined to be confined to a wheel chair for the rest of his life, but his mental faculties were unimpaired. When he returned to duty at the end of March, he was given an office in what is now known as East Building, but there was no job immediately in prospect for him. 67/ OSO and OPC were merged during Kirkpatrick's absence, and his former deputy, Richard Helms, was named Chief of Operations and deputy to the DD/P. 68/ As of 26 February 1953, Kirkpatrick was carried as a Special Assistant to the DD/P. 69/

Dulles discussed possible assignments for Kirkpatrick with John Earman, who had served as Executive Assistant to Director Smith and continued in that role under Dulles. Dulles first considered creating a position for Kirkpatrick as Special Assistant to the

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Director and dispatched Earman to make the offer to Kirkpatrick. Kirkpatrick declined it, saying "that's where I came in."* Earman then suggested to Dulles the possibility of assigning Kirkpatrick to replace Hedden as Inspector General. Dulles thought this an excellent idea and instructed Earman to get the views of DD/P Wisner. If Kirkpatrick were acceptable to Wisner, then Earman and Wisner were to sound out Kirkpatrick on the job offer. Wisner also thought that the Inspector General job would be suitable for Kirkpatrick. Wisner and Earman discussed the idea with Kirkpatrick, and he was receptive to it. 71/ Dulles told Kirkpatrick on 1 April 1953 that he had decided to appoint him Inspector General "for the present" and asked if he would look into the over-all matter of public relations of the Agency. 72/

The functions of the new Inspector General were discussed at Dulles' Deputies' Meeting on 7 April. Dulles directed that all cases of involuntary separation of employees be referred to the Inspector General

* Kirkpatrick had served as Executive Assistant to the Director from 13 December 1950 until his appointment as Assistant Director for Special Operations on 17 December 1951. 70/

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who, if he were unable to reach a settlement, would make his recommendations to the Director for final decision. A question was raised by two of the Deputies as to whether the Director should be named chairman of the Career Service Board. Dulles directed Kirkpatrick to make a study of the matter and submit his recommendations. 73/ Kirkpatrick submitted his report to the Director on 20 April recommending that the Director: appoint Kirkpatrick chairman of the board for an indefinite term; direct the Inspector General to make a thorough investigation of the handling of personnel throughout the Agency; and, subsequent to these steps, make changes in the top level of the Personnel Office. 74/ He was designated Chairman, CIA Career Service Board, on 24 April 1953. 75/

Kirkpatrick had accompanied Hedden on Hedden's 1952 trip to inspect certain of the European stations and had no doubt been well exposed to the work of the Inspector General from this. He appears to have brought to the job his own ideas concerning the nature of the role of the Inspector General as a staff officer to the Director. Within a week of assuming office, he submitted a memorandum to the Director proposing an

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expansion of the role of the Inspector General beyond that specified in the formal statement of mission and functions for the office. The broader responsibilities that he envisioned for himself included:

Acting as the Director's watchdog on the subject of unvouchered funds, back-stopping the other Deputy Directors and the Comptroller.

Sitting as an observer on the Project Review Committee and maintaining a general familiarity with all projects and their fulfilment.

Assuring that the appropriate outside policy clearance is obtained for projects undertaken by the Agency at the behest of other agencies.

Maintaining continual surveillance to insure that the Agency has an efficient and economical organization and a sound method of operation.

Trouble-shooting at the request of the Director.

Acting as arbitrator in the event of differences between different parts of the organization.

At least once during each year giving a fairly thorough review to the activities of each unit of the Agency on a divisional or staff level by Office, ascertaining whether the units are soundly conceived and appropriately functioning. 76/

Dulles noted that he wanted to discuss the above with Kirkpatrick. How much of the proposal Dulles

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accepted cannot now be discovered, but he was persuaded at least of the need for closer control of accountability for unvouchered funds. On 15 April 1953, he signed a memorandum drafted by Kirkpatrick urging that the DD/P make sure that all staff, division, and branch chiefs were aware of their obligations and responsibilities in connection with the approval of expenditures. 77/

Kirkpatrick was later to back off from some of these proposals -- the one concerning arbitration of differences is a case in point -- but their submission was the opening gun of a battle he waged over the ensuing years to gain acceptance of his understanding of the proper role of the Agency's Inspector General.

Colonel Stanley Grogan was then Assistant to the Director (for Public Affairs), and Walter Pforzheimer was Legislative Liaison Officer and Assistant General Counsel. Grogan complained to Kirkpatrick in early May 1953 that General Smith had put Pforzheimer under him but that since Smith had left he had seen nothing of Pforzheimer. He wondered whether he was still Pforzheimer's boss. 78/ Kirkpatrick checked with the Director who decided that Pforzheimer was to report to

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the Inspector General on all legislative matters but was to keep the General Counsel generally informed as to his activities. Dulles concurred in Kirkpatrick's suggestion that Pforzheimer be removed from the Loyalty Board. 79/

Kirkpatrick began a survey of the Personnel Office in early May 1953 on which he worked alone, although he invited Galbraith to sit in on the briefings if he cared to do so. 80/

Also within days of assuming office, Kirkpatrick was briefed by Winston Scott on the work of the DD/P's Inspection and Review Staff (I&R). Kirkpatrick told Scott and Wisner that he would like these briefings to continue on a periodic basis so that he might be kept thoroughly informed of I&R's activities. He also told them that he planned to work through I&R on all matters affecting the Clandestine Service that required action by the Inspector General. He recommended to Wisner that two experienced officers be added to the I&R Staff. 81/

Kirkpatrick met with Helms on 1 June and proposed that a corps of field inspectors be created and that I&R immediately undertake an inspection of TSS.

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Helms agreed. Kirkpatrick discussed his ideas for a field investigation staff with Scott and Scott's deputy, [REDACTED] on 2 June. They agreed that the field investigators should remain on the headquarters T/O and be sent abroad for temporary tours. Scott said that he would also recommend to Wisner that all individuals chosen for his staff be approved by the Inspector General. 82/ Kirkpatrick met with Dulles and Wisner on 3 June to review his proposal for the establishment of a corps of field inspectors, and both agreed to it. 83/

(b)(3)

Kirkpatrick submitted an inspection program for the Director's approval in June 1953 in which he outlined his plans for periodic review of each of the components of the Agency. An inspection of the Personnel Office was already in progress as a consequence of Kirkpatrick's recommendation of 20 April that this be his first order of business. He proposed that Galbraith concentrate on DD/I components plus the Office of Communications, that he be permitted to recruit John Blake from the DD/P Administrative Staff and assign him to DD/A offices plus the Office of Training, and that the I&R Staff continue

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to act as the arm of the Inspector General in the DD/P complex. He noted in this last connection that "this may be subject to review at a later date."

Dulles approved the program. 84/

Thus, within three months after taking over, Kirkpatrick was already embarked on what he envisioned as a broad program of component surveys covering all offices of the Agency. Kirkpatrick was himself a working inspector and carrying a full workload, although during the early months he was required to be away from the office about one and one-half hours each day for medical treatment. 85/

Also by mid-1953, he had begun to take on responsibilities beyond those normally associated with the position of Inspector General. As noted earlier, he was supervising the activities of the Legislative Liaison Officer. He was also participating in the deliberations of the Loyalty Board, of the Employee Review Board, of the Project Review Committee, 86/ and was reviewing the hiring of consultants. 87/ Before the year was out, he was to give his first lecture in a training course -- an activity that was later to be expanded and to occupy a significant portion of

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his time. 88/ There is evidence in the records that he very early began exerting an influence on Agency affairs more in the role of a staff officer to the Director than as a mere monitor of those affairs. One of the earliest examples concerns a meeting on official cover in which he participated. He commented that it was obvious that no progress had been made toward reconciling the differences in views between Security and the DD/P. He told the group that he would "take over the matter and write my own regulation." 89/

Kirkpatrick initially accepted the exclusion of Clandestine Service components from his inspection responsibility, although he was clearly dissatisfied with the arrangement whereby the chief of the I&R Staff reported to the Inspector General through the DD/P. In September 1953, he began a series of maneuvers aimed at bringing Clandestine Service elements under his purview. He met with Wisner on 10 September to discuss the functions of the Inspector General's office and its relations with the I&R Staff. He told Wisner that the fact that the principal arm of the Inspector General for handling DD/P matters

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was under the command of the DD/P caused him some concern, feeling that this might subject Wisner and the Agency to criticism for not having a completely independent unit inspecting the work of the DD/P. He also stated his reservations concerning the methods of handling I&R reports. They became the subject of debate and negotiation, which Kirkpatrick thought was wrong. He believed that responses to reports of inspection should be confined to errors in statements of fact or to dissent from recommendations. Kirkpatrick acknowledged that it would be difficult, if not impossible, for him to duplicate the staff of I&R and that he would not wish to attempt such duplication. 90/ Kirkpatrick sent Wisner a memorandum record of their conversation but received no reply nor comment from Wisner. 91/

Kirkpatrick's next move in this regard took the form of a written proposal to the Director, dated 7 December 1953, for an inspection of the Inspector General's office by the DDCI. He expressed his concern over the ability of his office to inspect each component of the Agency on a recurrent basis, the propriety of the major part of the inspection work

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in the DD/P area being done by a unit under the command of the DD/P, and the accuracy of the then-existing system for calling matters of concern to the attention of the Inspector General. He noted that the staff of the Inspector General was then limited to three professionals (John Blake having been added in August 1953) and that the staff could be kept small by using the task force system. He asked that the DDCI "make a determination as to whether the I&R Staff should remain in its present position or be transferred in toto to the IG." 92/

Kirkpatrick prepared a brief study for the Director in January 1954 entitled *Targets of Congressional Investigation of CIA*. He again zeroed in on the DD/P, recommending that, in order to make faster progress in clearing up administrative weaknesses in the operational areas, he be authorized to use ten additional officers -- to be borrowed from other Agency components -- to complete on a priority basis a full inspection of all components in the DD/P area. He followed up on this recommendation with a formal proposal to the Director, dated 20 February 1954, in which he named the officers he would like to borrow and the area divisions he hoped to cover.

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Twelve officers were to come from I&R, one from another DD/P component, three from IG, and twelve from DD/I and DD/A components. He asked approval to begin the inspection immediately with a target date for completion of 1 April 1954. The inspection would be carried out under his personal supervision with the assistance of the Chief, I&R. 93/

Wisner and Kirkpatrick discussed the above proposal on 3 March, and Kirkpatrick left with Wisner a list of the names of people he proposed for detail to the task forces. 94/ Then, on 15 March, Kirkpatrick met informally with the DCI and the DDCI for a discussion of the problems of the work of the Inspector General. The Director approved enlarging Kirkpatrick's staff. Kirkpatrick once again raised the issue of the bulk of the inspection in the DD/P area being done by a unit under the DD/P's command. The DDCI pointed out that this question revolved largely around the DD/P's own role -- whether he was to be considered a staff officer of the DCI or the commander of the DD/P area. Dulles took the position that Wisner was primarily a commander, that the I&R Staff was an important asset of the DD/P, and that members of the

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Staff should not be lost to the DD/P. 95/

Dulles asked Kirkpatrick to seek Wisner's views, which Kirkpatrick did by memorandum of 19 March. He offered these as possible solutions:

Place I&R under the command of the Inspector General, reporting to the Inspector General on all inspections but remaining available to the DD/P for review purposes.

Eliminate inspection from the I&R charter, leaving it as purely a review organization. Transfer some of the I&R Staff to IG for use primarily in inspecting DD/P components.

Leave I&R intact and increase the size of the IG Staff to cover the DD/P area.

Kirkpatrick stated that he had listed the choices in his order of preference and asked for a prompt reply from the DD/P. 96/ It might be noted that no reply was ever received.

Kirkpatrick made reference in this memorandum to his earlier request for an inspection of his office by the DDCI and commented that the DDCI had not yet been able to fit this into his schedule and that there was little likelihood of his being able to do so in the near future. He also remarked that he considered the work of the I&R Staff to be of the highest order.

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and took note of the arrangement then existing between him and Winston Scott: Scott kept Kirkpatrick informed of his work and plans and provided carbon copies of all I&R reports to the Inspector General.

The Director in early April 1954 told Kirkpatrick that he wanted to meet with Kirkpatrick and Wisner to discuss inspections of DD/P elements. Wisner had complained to Dulles of friction between the DD/P and the Inspector General and had said that a general inspection would upset delicate operations in progress. Kirkpatrick told Dulles that he still believed these inspections to be of utmost importance, that Wisner had never discussed with him any problems of friction, and that Wisner had never replied to any of his inquiries or requests. 97/

Another area of potential conflict existing at the time was between the functions of the Inspector General and those of the Management Staff. Kirkpatrick met on 6 April 1954 with L. K. White, then Acting DD/A, and John O'Gara, Chief, Management Staff. They agreed that it was not feasible to draw a line clearly separating the two functions inasmuch as the Inspector General, in making his over-all inspections, necessarily

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had to consider management as well as other aspects of the offices concerned. It was also agreed that in the future the Inspector General would depend on the Chief, Management Staff, to provide appropriate management studies for inclusion in IG inspection reports. Management Staff personnel undertaking management studies in connection with inspections made by the Inspector General would remain responsible to the Chief, Management Staff. Kirkpatrick invited O'Gara to attend his monthly staff meetings and offered to make available to O'Gara complete copies of IG reports of inspection. 98/ The agreement appears to have caused no later frictions, perhaps because the parties to it quickly found that it was wholly unworkable. It was first tried in the IG survey of Security and failed because O'Gara could not make people available. 99/ It was agreed that the plan would be abandoned. 100/

John Routh and Paul Eckel were added to the staff as inspectors in mid-1954, followed soon thereafter by Herman Heggen and Richard Drain. Eckel was slotted against the deputy position but was not given the title 101/, probably because Kirkpatrick was

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interested in obtaining Winston Scott as his deputy. 102/
Thus, by mid-August 1954, Kirkpatrick had a staff of
15, seven of whom were inspectors. He had completed
surveys of Personnel, Training, Research and Reports,
National Estimates, and Security. An inspection of
the Office of the Comptroller was then under way,
and inspections were scheduled to begin in September
of Logistics and of Scientific Intelligence. 103/

Kirkpatrick's proposal to the Director in
February 1954 that he be permitted to borrow a corps
of officers for a massive one-time inspection of the
entire Agency came to nought, for reasons that cannot
now be discovered. With a staff consisting of himself,
Galbraith, and later Blake, a component inspection
was made by a single IG officer. However, as his
staff built up in size, he was able to resort to
the team concept used in the military services. One
member of the team was designated captain and was
given responsibility for preparing for the survey,
for pursuing it, and for preparing the report of
survey for Kirkpatrick's approval. The team captain
was given considerable latitude in the conduct of the
survey, the only requirement being that the end product

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be a report that was acceptable to Kirkpatrick. All inspectors were assigned at all times to component surveys. When a grievance or complaint was brought to the Inspector General and an investigation was required, one of the inspectors was temporarily withdrawn from the component survey to which he was assigned and was given the grievance to investigate. The same thing was done when the office was required to investigate instances of possible wrongdoing or to look into flaps or other situations requiring attention. Inspection manpower is assigned and used in precisely the same way today.*

By October 1954, Kirkpatrick had returned to the subject of his responsibility for inspecting DD/P components. He again wrote to the Director, reminding him that the DD/P had never replied to any of his oral or written communications on this matter. He noted that the Director had informed him orally on 17 April that "upon advice from the DD/P and others you were concerned that an inspection by this office at this time would disrupt operations and therefore had decided

* Early 1973.

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that no such inspection would be conducted." He cited Regulation in support of his recommendations (b)(3) that: the injunction against inspection in the DD/P area by the Inspector General be removed, all cases of alleged or suspected malfeasance in the DD/P area be referred to the Inspector General for action, and the I&R Staff act on behalf of the Inspector General only by prior agreement between the DD/P and the IG. General Cabell concurred in the recommendations, but Dulles did not approve them. 104/ Kirkpatrick's diary entries recording conversations with Dulles and Cabell during this period reveal that Dulles and Cabell differed on this matter -- with Cabell supporting Kirkpatrick and Dulles supporting Wisner.

There matters stood until 13 December 1954 when Kirkpatrick forced the issue again. Following discussions among Dulles, Cabell, Wisner, Kirkpatrick, and Scott concerning the duties and responsibilities of the Inspector General and of the Chief, I&R, Dulles on 17 January 1955 signed a memorandum addressed to the DD/P and the IG setting forth his decisions "based on our mutual understanding." The effect of the memorandum was to lift the restriction on IG inspections

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of DD/P components, but it accomplished other things as well. It is worth quoting at some length, because it established guidelines that were to prevail for some years to come.

The Inspector General has the duty from time to time as the situation warrants to inspect all elements of the Agency. Before undertaking an inspection of a particular division, staff or unit of the DD/P he will notify the Director, the DD/P, the Chief of I&R (DD/P), and the head of that particular unit in order to avoid the overload of inspection work. The Inspector General will, insofar as practicable, fix the time of particular comprehensive inspections in a manner not to directly follow a comprehensive inspection which has been carried on internally in any division, staff or unit, by the Inspection and Review Staff. Upon completion of an inspection, the Inspector General will include in his recommendations to the DCI, one dealing with what portions of his report should be provided DD/P or Chief, I&R.

The Chief, I&R, office of the DD/P, will be directly responsible to the DD/P. It is understood, however, that copies of I&R written reports will be sent to the Inspector General for his information and guidance but that the Inspector General will not take action on such reports without consultation with the Director or with the DD/P. It is further understood that the Chief, I&R, will afford full cooperation to the Inspector General in connection with any inspections the Inspector General may make of the office of the DD/P. Similarly, the Inspector General will afford all possible cooperation to the Inspection and Review Staff in connection with inspections conducted by I&R.

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In case in any division, staff or unit an internal inspection develops evidence indicating malfeasance, misappropriation of funds, or evidence concerning any other situation deemed by the DD/P to be of a possibly critical nature, the matter shall immediately be referred to the Director or to the Inspector General and further inspection or investigation of that particular matter will, unless the Director otherwise decides, be directed or taken over by the Inspector General.

In event that reports reaching the Inspector General indicate that a particular situation in the office of DD/P calls for investigation but does not in his opinion justify immediate action by the office of the Inspector General, he may request the Deputy Director/Plans to cause the matter to be inspected by him or by his Inspection and Review Staff and a report thereon shall be made to the Deputy Director/Plans and to the Inspector General.

Any individual in the DD/P area wishing to see the Inspector General as provided for in Agency Regulation [] will be permitted to do so after having exhausted the command facilities within the DD/P area. 105/

(b)(3)(3)

This should have been the end of it, but it wasn't. For nearly two years, the DD/P had simply ignored all communications he recieved on this subject, but he replied to this one within two days. He reported that all officials of the DD/P area whose work was directly affected by the new guidelines were being informed of them "in order that they may comply with the terms

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thereof." However, he took exception to two provisions of the directive: he thought that he should receive complete copies of all reports of inspection dealing with the DD/P area, and he quibbled over the meaning of the word "malfeasance." He noted that the word is differently defined in different dictionaries and even the legal dictionaries "do not declare it to be a term of art." He added that the use of the expression was more apt to generate than to reduce arguments, since it was susceptible to such broad construction. 106/

He may well have had a good point, but he then made it sound ridiculous by launching into a legalistic differentiation among *malum in se*, *malum prohibitum*, and *malitis praecogitata*. General Cabell was obviously offended by the carping tone of the DD/P's response and brusquely recommended to the Director that he "not modify the directive or interpret it ... no commitment is in order." 107/ Dulles accepted Cabell's recommendation, told Wisner that he was going to let the directive stand, and then confirmed this in writing. He disposed of the problem of malfeasance by suggesting that if a question of jurisdiction arose "we could discuss the matter together and determine the appropriate

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method of procedure in the light of the facts." 108/

If Dulles thought that he had firmly and finally settled the question of the handling of cases of malfeasance, he was wrong. The DD/P initiated Agency Regulation , relating (b)(3) to overseas inspections by the Inspection and Review Staff. It provided that when evidence was discovered of possible acts of nonfeasance, misfeasance, or malfeasance, the matter would be immediately referred to the Director of Central Intelligence, the Inspector General, and the Deputy Director (Plans); however, the Regulation was given a limited distribution, and the statement of mission and functions of the Inspector General was not correspondingly revised to reflect this added authority. The problem was also tied in to the Agency's concern over its obligation to report to the Attorney General evidence of criminal acts on the part of Agency employees, which had been the subject of correspondence among the Director, the General Counsel, and the DD/P for many months. Another two years were to pass before the Inspector General's authority in this area was fully clarified and made a matter of official record. 109/

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An inspection of Eastern Europe Division was begun immediately after receiving authorization in January 1955 for Inspector General surveys of DD/P components. Kirkpatrick put his best inspectors on the team and instructed them to move gingerly and to make no mistakes. They recall that their reception within the Clandestine Service was correct but noticeably cool. 110/ The inspection was completed and the report issued in May 1955. It contained an astounding number of recommendations by today's standards, 121 in all, and most of them concerned matters of trivial importance. These were the more significant of the report's conclusions:

The division is well organized but lacks an adequate mix of experienced officers.

The German Mission is too large and should be reduced.

Intelligence production is high in quantity but low in quality.

PP activities suffer from a lack of an authoritative listing of priorities.

The collection picture is one of recent emergence from the developmental stage. The division has a few long-range assets and has been slow in creating them.

CE operations are weak and inadequately staffed. 111/

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John Bross, who was then Chief, EE Division, told Kirkpatrick on 27 June that he thought the report was excellent and that the conduct of the Survey had been "irreproachable." 112/ The DD/P's response was generally constructive. Inspections of two other DD/P components were completed before the end of the year -- Southern Europe Division and [REDACTED]

(b)(3)

The effect of the nearly two-year impasse between Wisner and Kirkpatrick had been to deny to the Inspector General the authority to inspect DD/P field stations, which presumably had been given him by Regulation [REDACTED] Once the Director (b)(3) had confirmed the authority of the Inspector General, Kirkpatrick took steps to get the word out to the field in the form of a Field Notice dated 9 May 1955. The Notice included a statement of mission and functions for the Inspector General and for the first time provided a means whereby overseas employees could communicate directly and on a confidential basis with the Inspector General. Such correspondence was to be forwarded by [REDACTED] pouch in a sealed envelope addressed (b)(3) to "INSPECTOR GENERAL--EYES ONLY." Replies from the (b)(3)

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Inspector General were to be handled on the same confidential basis. 113/ The same arrangement exists today.*

Kirkpatrick realized from his experience in sending inspectors abroad to inspect the stations in Eastern Europe that he had no secure means of communicating with them privately on sensitive Inspector General matters. Accordingly, his administrative assistant, [redacted] called the (b)(3) Cable Secretary on 25 May 1955 and asked that an indicator be assigned for sensitive Inspector General cables that would provide for distribution to the Inspector General and to no one else. The Cable Secretary assigned [redacted] for this purpose. 114/ (b)(3) The indicator was reserved exclusively for use by the Inspector General and traveling inspectors, and no reference to its existence appeared in Agency regulations until many years later.

By Executive Order 10590 of 18 January 1955 the President established the President's Committee on Government Employment Policy and directed that

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each agency head designate an Employment Policy Officer for his agency. One of Kirkpatrick's inspectors, John F. Blake, was named as the Agency's first Employment Policy Officer. He was succeeded by Herman F. Heggen, also of the IG Staff, in December 1955. 115/ Although the title of the position was to change in succeeding years, the precedent established of assigning the function to an inspector as an added duty to be continued.

An Agency Notice was issued on 2 November 1955 transferring the functions of the Legislative Counsel from the Office of the General Counsel to the Office of the Inspector General. The effective date of the transfer was 1 December, although this merely confirmed an arrangement that had been in effect for quite some time. Simultaneously, Normal Paul replaced Walter Pforzheimer as Legislative Counsel. 116/ Pforzheimer explains the reason for the transfer thus. In those days neither the Legislative Counsel nor the General Counsel attended the Director's daily meetings with his deputies. The Inspector General did. Kirkpatrick volunteered to serve as a channel between the Director and Pforzheimer for matters that came up at the morning

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meetings of concern to legislative liaison. Eventually, the arrangement was formalized by the issuance of a Notice. Pforzheimer gives as the reason for his replacement the fact that Dulles was dissatisfied with his approach to the job.

This had been a busy and productive year for the Inspector General. He had finally obtained the authority for the full exercise of his responsibilities, and he and his staff were well into the first cycle of inspections. In addition to those surveys previously mentioned, the staff completed inspections in 1955 of Logistics, Medical Staff, Audit Staff, Commercial Staff, and Foreign Documents Division.

The President established his Board of Consultants on Foreign Intelligence Activities in January 1956. 117/ Dulles asked Kirkpatrick to prepare the necessary paper work for the first meeting of the board on 23 January. 118/ Thereafter, Kirkpatrick continued as the focal point within the Agency on dealings with the board, and the function was officially added to his duties in September 1956. 119/ This was obviously a demanding and time-consuming job. Of the few written records surviving in the Office of the Inspector General from the

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Kirkpatrick era, more relate to his liaison with the Board of Consultants than to his work as Inspector General. Soon after the board was established, Kirkpatrick began providing to it copies of all of his reports of inspection. 120/

It would be interesting to know how Kirkpatrick viewed this part of his work and how he approached it. Unfortunately, the surviving records reveal only the results of his work and then in only fragmentary form. The one thing that does come through clearly is that Mr. Dulles was disappointed with the way the role of the board evolved. He had expected that it would be helpful to him in managing the affairs of the intelligence community; instead, it took an adversary position.

Except for this added responsibility, the work of the Inspector General during 1956 was devoted to continuing the first cycle of inspections. Nine additional component surveys were completed during the year. One of them was of the Office of the DD/S including the Management Staff and the Office of the General Counsel (OGC). His findings and conclusions concerning the Management Staff are of interest because

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of the potential conflict between the functions of that office and his own. He concluded that there were necessary and valid functions to be performed by the Management Staff but that "the exercise of leadership and initiative in improvement of management throughout the Agency has been relinquished by the Chief, Management Staff, to the Operating Officials." Although he did not feel that the Management Staff was an effective organization, he did not recommend that its activities or staff be curtailed at that time. 121/

During his first four years in office, Kirkpatrick had operated without a formally named deputy. Herman F. Heggen was designated as Deputy Inspector General effective 1 March 1957. 122/ Kirkpatrick was abroad during the summer and early fall of 1957. Three things of significance happened during his absence. Heggen, as Acting Inspector General and presumably upon Kirkpatrick's instructions, submitted a memorandum to the Director urging that, unless definite action were taken to revitalize the Management Staff along the lines recommended by the Inspector General in his 1956 report of survey, substantial

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reductions in the strength of the staff be effected by transfers of personnel to more productive work. 123/ A new statement of mission and functions for the Inspector General appeared in July 1957 adding the new functions of controlling liaison with Congress and investigating instances of wrongdoing. 124/ On 9 September, the functions and responsibilities of the Legislative Counsel were transferred from the Office of the Inspector General back to the Office of the General Counsel, and John Warner replaced Norman Paul as Legislative Counsel. 125/ In November, the statement of mission and functions for the Inspector General was amended to reflect the loss of responsibility for Legislative Liaison and the addition of liaison with the Board of Consultants. 126/

John Warner does not recall that the transfer was in any way controversial. Norman Paul was not a member of OGC, and it made just as good sense for him to report to Kirkpatrick as to anyone else. However, when Warner took over legislative liaison, he continued in his position as Deputy General Counsel. Since he was wearing two hats, it made sense for him to doff them both to the same master. Additionally,

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the General Counsel was by then attending the Director's morning meetings and could provide the channel that Kirkpatrick had provided for Pforzheimer and Paul. Kirkpatrick, however, clearly considered the transfer as not being in his best interest. He included the following paragraph in a personal and confidential letter he wrote to "Dear Allen" on 7 March 1959.

Whereas the recommendation of the President's Board speaks of the expansion of the authorities and responsibilities of the Inspector General, there actually has been a contraction in recent years. I would point out that from June 1953 to August 1957 I also had the responsibility for supervising the relations of the Agency with the Congress. During my absence from the United States this was transferred to the General Counsel's office under the DD/S and the Legislative Counsel now consults with me sporadically, and I am not kept informed of Congressional matters on a current basis, which unfortunately lessens the effectiveness of any contribution.

Only three component surveys were completed in 1957: International Organizations Division, Technical Services Staff, and Near East and Africa Division. The reduced production was attributable to two factors. One of them was turnover of personnel: one experienced inspector was reassigned, another was transferred after serving only eight months on the staff, and a third

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was away on detail for much of the year. Three new inspectors were added, but Kirkpatrick promptly dismissed one of them for unsatisfactory performance. The most important factor, however, was that Kirkpatrick appears to have lost sight of his goal of early completion of the first cycle of component surveys. Thirteen special studies were made in 1956 and another seven were completed in 1957.* Thus he had concentrated the bulk of his inspection manpower on noncomponent-survey work and failed to make the "starts" needed to reach the end of the cycle.

Kirkpatrick wrote toward the end of 1958 that the first cycle of inspections would be completed in early 1959, but the end did not actually come until December 1959. Thus, the first cycle took nearly seven years to complete. Kirkpatrick himself attributed the length to the fact that the Staff was in the process of being organized during the early part of the cycle and that only in the last two years had it

* For a complete list of special studies, see Appendix C.

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been at its full strength of six officers, plus the Inspector General. He anticipated that the second and subsequent cycles could be completed in two years "due to the fact that the original inspections will serve as a point of departure in most of the units of the agency which will not have changed in any major aspects between inspections." He noted that the IG staff then had a T/O calling for seven officers, including himself, and six secretaries and had a total budget of \$166,000 for fiscal year 1959. He recommended that the Staff be enlarged by three officers and one or two secretaries. He suggested that one of the officer slots be a GS-17 so that he could create a special slot for General Dunford. Dunford was a retired army officer hired on a reserve appointment as a GS-17. He was then slotted against a GS-16 position as Special Assistant to the Inspector General for Personnel Matters. Heggen, then a GS-16, was occupying the only GS-17 slot as Deputy Inspector General. He also proposed that beginning in 1959 he institute a program for visiting each [redacted] [redacted] field station and base at least annually.

(b)(3)

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These annual visits would not be full inspections

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but would be mere checkups on previous inspections.

The Director approved the recommendations. 127/

Kirkpatrick additionally proposed in that memorandum that he conduct an inspection of the immediate office of the DD/P to include a study of the relationships between the I&R Staff and the Inspector General. Acting DD/P Richard Helms commented on the proposal in a memorandum to the Inspector General of 8 December 1958. He referred to "recent decisions of the DCI directly affecting some of the proposals." Specifically, Richard Bissell had been selected as the new DD/P, and it had been agreed that the Inspector General would postpone his inspection of the immediate office of the DD/P until Bissell had assumed his new duties. Helms also noted that "since the DCI has approved the abolishment of the I&R Staff the relationship of the latter to your staff will no longer be a problem." Helms also gave his thoughts on the frequency of IG inspections of DD/P units and on the areas that should be emphasized. He hoped for IG inspections of each Clandestine Service component every two or three years with increased attention being given to operations. He

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objected, however, to the Inspector General's proposal for annual visits to every field installation. He felt that formal inspections every two to three years, plus annual IG visits, plus all of the visits made by the Clandestine Service officers "raised the problem of keeping a proper balance between giving the stations and bases the personal attention they require and disrupting their day-to-day work by too frequent visitors who demand attention if their visits are to be worthwhile." 128/

The Inspector General took on a new task in early 1958. The Director had said that he would find useful a summary of the high points contained in the monthly letters from chiefs of field stations -- the so-called letters -- and Kirkpatrick volunteered (b)(3) to prepare the summaries since he was already reading all of them. 129/ Initially, the summaries were prepared monthly, then quarterly, and finally semi-annually.

The President's Board of Consultants in its report to the President on 16 December 1958 repeated an earlier recommendation that a Chief of Staff or Executive Director of the Agency be named or "in lieu of such action ... the expansion of the authorities

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and responsibilities of the Agency's Inspector General." 130/ This recommendation formed the basis for a proposal from Kirkpatrick to the Director that the Director issue a formal statement describing the actual duties and responsibilities of the Inspector General. The proposal was put forward in four related memorandums all dated 7 March 1959. There was a brief transmittal memorandum to which was attached a paper explaining the work of the Inspector General's staff and another draft memorandum to the Deputy Directors listing the duties assigned to Kirkpatrick that were unrelated to his role as Inspector General. The fourth paper was in the form of a "personal and confidential" letter from "Kirk" to "Dear Allen."

The general conclusion reached in the paper concerning the work of the Inspector General's staff was that it would be inappropriate to increase the authority of the Inspector General to include implementation of recommendations. The paper gave a good description of the working of the Office of the Inspector General, of its composition, and of progress to that date. Kirkpatrick noted that he then had a staff of 13 consisting of himself, a deputy, a special

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assistant, five inspectors, and five secretaries. He had approval to enlarge the staff to 18 by adding three officers and two secretaries. A total of 32 major components had been surveyed since the first cycle began in 1953, and the second cycle had been started in February 1959 (although the first cycle was not actually completed until December). The Inspector General's program of interviewing returnees from overseas, which was begun in mid-1956, was continuing, and a total of 320 returnees had been interviewed. The staff had handled some individual case investigations in the preceding five years. (b)(3)

Kirkpatrick also noted that he was then a member of the Project Review Committee, Career Council, Building Steering Committee, and non-voting advisor to the Supergrade Promotion Board. 131/

The brief transmittal memorandum pointed out that the above-described paper dealt exclusively with the role of the staff of the Inspector General. Not dealt with was Kirkpatrick's personal role, which was considerably broader than that of an Inspector General in the conventional sense. Kirkpatrick noted that

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There are many things that I do for you which are of the nature performed by a chief of staff. Thus in responding to this latest action of the President's Board recommendation, I believe it important to distinguish between what I do as Inspector General and what I do as an executive for you. 132/

The draft memorandum to the Deputies for Dulles' signature was described by Kirkpatrick as an attempt to make it clear to the Deputies that the Director was responding to the board's recommendation "not by the insertion of another echelon, but by an extension of your executive arm." 133/

The opening paragraph of the draft memorandum to the Deputies, which survived intact in the final version that Dulles signed, gave the rationale for the memorandum:

For some time I have been looking to Mr. Lyman Kirkpatrick for advice and assistance on a variety of matters not strictly related to the duties normally to be expected of an Inspector General. This has been the case because of the long and varied experience of Mr. Kirkpatrick in the affairs of this Agency. The title, Inspector General, is thus not an entirely inclusive description of the duties currently being performed by Mr. Kirkpatrick or which might be given to him from time to time in the future.

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Kirkpatrick proposed that he be assigned the following specific duties in addition to those already officially assigned to him. Some of them were already being performed by him without formal assignment; some of them were new.

(a) Give general guidance and supervision to the Legislative Counsel on Congressional matters.

(b) Direct and guide the Efficiency Task Force.

(c) Assume Chairmanship of the Publications Board.

(d) Advise the Executive Officer on more efficient operation of the Office of the Director.

(e) Review all Agency Regulations prior to their submission to the DCI.

(f) Advise with the heads of major Headquarters components concerning any cases of unsatisfactory behavior of personnel which might reflect on the Agency.

(g) As the first elements of his future Inspector General reports on any particular activity, report any failures of compliance with approved recommendations of former report.

(h) Serve as a member of the Supergrade Board.

(i) Maintain liaison with the President's Board of Consultants on Foreign Intelligence.

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Kirkpatrick further proposed that he carry the additional title of "Executive Advisor" in order to provide Agency-wide recognition of the additional duties proposed for himself. 134/

General Cabell reviewed the proposal, striking out item d. and changing "Executive Advisor" to "Special Advisor." The proposal was then forwarded to the Deputy Directors in draft form, as originally presented by Kirkpatrick, for their comments. Not unexpectedly, the proposal encountered sharp resistance from some of them.

General Truscott, Deputy Director/Coordination, felt that the proposed expansion of the role of the Inspector General was entirely in line with the services that he could perform for the Director and for the Agency and recommended approval. 135/

Robert Amory, Deputy Director/Intelligence, concurred in the proposal except for the item on the Publications Board, which directly threatened his own authority for control of publications. 136/

L. K. White, Deputy Director/Support, stated his belief that, as a matter of principle, the Inspector General should not have command or line responsibility.

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He thought it improper to assign to the Inspector General responsibilities already assigned to Deputy Directors or to establish the Inspector General as a channel through which Deputy Directors would deal with the Director. Either arrangement would be organizationally unsound and inconsistent with good management practices. White said he realized that the proposal intended to set up Kirkpatrick as an Executive Advisor in an entirely different role from that of the Inspector General.

Frankly, I don't think that this is possible and believe that the net result would lead to confusion and frustration It would be far wiser to have the Director continue to use him on an ad hoc basis in order to take advantage of his unusual qualifications than it would to set him up as an Executive Advisor. 137/

Richard Helms, Chief of Operations, received the DD/P copy of the draft proposal and wrote a note on the buckslip to Bissell: "Needless to say, I have some views on this proposal which I would like to discuss with you and Tracy [Barnes]." Presumably the DD/P's views, whatever they may have been, were given to the Director orally; no written record of them has been found.

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Dulles signed the official memorandum to the Deputy Directors on 26 May 1959. The specific additional duties enumerated for Kirkpatrick were essentially the same as those proposed by Kirkpatrick. The only one that was deleted was the one proposing that he advise the Executive Officer on the running of the Director's office. Also, the final document made no reference to a new job title for Kirkpatrick. The term "Executive Advisor," which General Cabell had changed to "Special Advisor," was deleted entirely. 138/ The DD/I raised the issue of Kirkpatrick's assuming the chairmanship of the Publications Board at the Deputies' Meeting of 24 June 1959. The original wording of that item had referred to standardization and reduction of numbers of Agency publications. Amory felt that it was appropriate to strive for standardization but that reduction of numbers was beyond the Agency's control. The statement was revised accordingly. 139/

The "personal and confidential" letter to "Dear Allen," which accompanied Kirkpatrick's proposal for the assignment of additional duties to him was essentially a protest concerning the difficulties he

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had experienced in establishing his authority within the Agency and of what he saw as a progressively diminishing role for himself.

The statement of mission and functions of the Inspector General was again revised in December 1959, on the basis of Dulles' memorandum of 26 May listing Kirkpatrick's duties, to specify that the Inspector General would provide general guidance and supervision to the Legislative Counsel on all Congressional matters other than legislation affecting the Agency. 140/ Six component inspections were completed in 1959, although the report of survey of the Counterintelligence Staff was never published. The surviving draft is poorly organized and badly written. Kirkpatrick sent it to his deputy, Herman Heggen, with this comment:

I do not believe that it meets our standards and I feel that many broad and sweeping statements are made herein that are not substantiated by the discussion produced. I do think that the survey can be saved and much of the present material utilized, but I feel that it needs further investigation and considerable rewriting. 141/

Additional inspectors were added to the survey team, and more work was put into the report, but CI Staff's reaction to the initial draft was so negative that the

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effort was eventually abandoned.

On the basis of surviving records, 1960 might well be termed a lost year for the Office of the Inspector General. Only three component surveys and two special studies were completed; yet, Kirkpatrick had eight inspectors on duty for the full year and five others for portions of it. Inspectors who were assigned to the staff at the time recall that they all were busy and are in a loss to account for the decreased production. It may be speculated with some confidence that the lower production resulted from two factors. The first was a change in the inspection philosophy. The production rate of about eight or nine inspections per year that prevailed in the mid-fifties fell to an average of about four or five per year at the end of the decade and remained at roughly that level through the 1960's. In comparing reports of survey from the second cycle of inspections with those from the first cycle, it is apparent that the surveys of the second cycle were done in appreciably greater depth than those in the first and thus took longer to complete. The second factor causing production to fall was that Kirkpatrick

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had become increasingly drawn into work that interfered with his managing his own staff. His diary records in reasonably good detail what he did each day; by 1960, entries relating to IG work had become very sparse indeed. The most serious hindrance came in mid-1960 when he was named by Dulles as chairman of a Joint Study Group on Foreign Intelligence Activities. The group, consisting of representatives of CIA, State, Defense, Bureau of the Budget, and the NSC Staff, began its work in July and did not complete its report until December. Kirkpatrick was with the group almost full time and spent a month with it abroad. 142/

Kirkpatrick was aware of falling production and took steps in early 1961 to try to correct the situation. He met with his staff on 28 February and stressed that the head of each inspection task force was responsible for the writing and prompt publication of the reports of inspection. He authorized overtime for the secretaries, including on Saturdays and Sundays, to speed up completion of reports. 143/

The Inspector General's report of survey of the Cuban Operation was *the* office event of 1961 and caused

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almost as much trauma as the Bay of Pigs disaster itself. The survey had its origins on 22 April when Dulles called in Kirkpatrick to ask for recommendations on actions to be taken to cope with "the Cuban disaster." Kirkpatrick recommended that the first thing that should be done was to call a meeting of senior officers of the Clandestine Service and tell them to work together and stop feuding. Dulles agreed that the situation in the CS was "explosive" and asked Kirkpatrick to draw up a list of those who should attend. Kirkpatrick also suggested that an inspection of the operations be made at a later date, to which Dulles agreed. 144/ The meeting of senior officers was held on 26 April. 145/

Dulles spoke with Kirkpatrick again on 30 April about "the present problem regarding the Cuban Operation." Dulles directed that the Inspector General immediately begin a thorough review of the operation and suggested that it might be advisable to give a preliminary report to General Maxwell Taylor before the Taylor report was submitted to the President. 146/

Kirkpatrick got the survey under way immediately. The survey team consisted of William Dildine, Robert

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Shaffer, and Robert Shea, with Dildine as team captain. The Director called Kirkpatrick on 4 May saying that he would provide all of the papers from the Taylor Committee and suggesting that the start of the IG survey be postponed for ten days, because the people concerned were so busy preparing reports for the Taylor group. Kirkpatrick replied that his people were not bothering those who were preparing reports but that they were trying to see those people who would be leaving soon. Dulles agreed to this. 147/

An IG survey team customarily assembles a considerable volume of paper in the course of a survey consisting of documents and of notes and memorandums of interview. When the report of survey is completed and the response is in and is accepted, the back-up material is disposed of. Some of it is destroyed, and some is returned to the suppliers. Those documents that are felt should be retained for record purposes are filed in what is commonly referred to as "the green folder" (because it is a green pressboard binder), which is permanently retained with the report of survey. Unfortunately for the historian, Kirkpatrick's practice was to strip the green folder when the file

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was retired to Records Center. The green folder on the Cuban Operation contains two sheets of paper, one listing the names of the team members and of the typists and the other being a brief transmittal memorandum requesting the DD/P's comments on the report. A review of Kirkpatrick's diary failed to find any entries relating to this survey between the date the survey began and the date the report was submitted.

Robert Shaffer, one of the team members, is now retired but still lives in the area and was available for interview. He remembers the survey well because of the controversy it caused, and because it was his last assignment on the Inspection Staff. He recalls that Kirkpatrick did not follow the course of the survey closely and that the team did not function as a team. Each inspector went largely his own way, with Shea concentrating on FI matters, Shaffer on PM, and Dildine on PP and the chronology of the operation. After the team members began writing their contributions to the report, the team met with Jacob Esterline, who was chief of the Cuban Task Force, and with others whose names Shaffer does not now remember for a round-table discussion of the operation. Each inspector

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then completed his portion of the report with little consultation with the other team members. Dildine assembled the contributions into a draft report, which was reviewed by Deputy Inspector General David McLean from the sole standpoint of any minor editing that might be required. It then went to Kirkpatrick, who apparently approved it virtually as submitted. Shaffer recalls that there was no rewriting at all. He also remembers that Kirkpatrick directed the team members to destroy all of their working papers relating to the survey because of the report's sensitivity. 148/

The report was completed and was forwarded to John McCone under cover of a transmittal memorandum dated 20 November 1961. McCone had been named on 27 September to replace Dulles, although he was not actually sworn in until 29 November. Kirkpatrick noted in his transmittal memorandum that he considered the 150-page report to be fair, even though highly critical. He called attention to

a tendency in the Agency to gloss over CIA's inadequacies and to attempt to fix all of the blame for the failure of the invasion upon other elements of the Government, rather than to recognize the Agency's weaknesses reflected in this report.

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He added that, as a consequence, he would make no additional distribution of the report until McCone had indicated who else should receive copies. 149/ McCone called Kirkpatrick on 23 November (Thanksgiving Day) and directed that immediate distribution be made to Dulles, which was done. 150/

It seems odd that Kirkpatrick would have chosen to make an initial, one-copy distribution to John McCone, who was merely Director-designate, rather than to Allen Dulles, who was still Director. Tracy Barnes in a memorandum to the DD/P dated 19 January 1962 referred to the distribution as being "so peculiar and contrary to normal practice that it raises an inference of intended partiality." Kirkpatrick wrote to Barnes on 22 January 1962 protesting Barnes' criticisms of the report of survey. He had this to say concerning the report's distribution:

You apparently feel there was something unusual in the distribution of the final report. The only thing unusual in it was that we had two Directors at the time, and Mr. McCone having asked for it received it as he was leaving for the West Coast on the day before Thanksgiving and everybody else got their copies on the day after Thanksgiving.

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Dulles gave McCone his views on the IG report in a memorandum of 15 February 1962 and had this to say about the distribution:

Upon receipt of the Inspector General's report of October 1961 on the Cuban Operation, which reached my desk prior to my resignation as Director of Central Intelligence, I immediately transmitted a copy to the Deputy Director (Plans) for his comment.

A check of Executive Registry reveals that the report was not delivered through ER. ER's records reflect that Kirkpatrick's secretary reported to ER that all copies of the report were delivered by hand on 24 November 1961 (the day after Thanksgiving).

Earman called Kirkpatrick on 24 November, presumably at Dulles' direction, to ask who had prepared the Cuban report and to request a description of the material to which the team had had access. 151/ Kirkpatrick sent a memorandum to the Director that same day saying that the report represented the views of the Inspector General himself and describing the source materials. 152/

General Cabell called Kirkpatrick on 28 November and instructed him that the fact of the existence of the IG report on the Cuban Operation was to be

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restricted on a "must-need-to-know" basis and directed that no distribution be made to the President's Board of Intelligence Advisors. No further distribution was to be made without authority of the DCI or DDCI. 153/ ^{Should be 154}

The report's summary conclusions are worth quoting here, because they well convey the highly critical nature of the report.

The Central Intelligence Agency, after starting to build up the resistance and guerrilla forces inside Cuba, drastically converted the project into what rapidly became an overt military operation. The Agency failed to recognize that when the project advanced beyond the stage of plausible denial it was going beyond the area of Agency responsibility as well as Agency capability.

The Agency became so wrapped up in the military operation that it failed to appraise the chances of success realistically. Furthermore, it failed to keep the national policy-makers adequately and realistically informed of the conditions considered essential for success, and it did not press sufficiently for prompt policy decisions in a fast moving situation.

As the project grew, the Agency reduced the exiled leaders to the status of puppets, thereby losing the advantages of their active participation.

The Agency failed to build up and supply a resistance organization under rather favorable conditions. Air and boat operations showed up poorly.

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The Agency failed to collect adequate information on the strength of the Castro regime and the extent of the opposition to it; and it failed to evaluate the available information correctly.

The project was badly organized. Command lines and management controls were ineffective and unclear. Senior Staffs of the Agency were not utilized; air support stayed independent of the project; the role of the large forward base was not clear.

The project was not staffed throughout with top-quality people, and a number of people were not used to the best advantage.

The Agency entered the project without adequate assets in the way of boats, bases, training facilities, agent nets, Spanish-speakers, and similar essential ingredients of a successful operation. Had these been already in being, much time and effort would have been saved.

Agency policies and operational plans were never clearly delineated, with the exception of the plan for the brigade landing; but even this provided no disaster plan, no unconventional warfare annex, and only extremely vague plans for action following a successful landing. In general, Agency plans and policies did not precede the various operations in the project but were drawn up in response to operational needs as they arose. Consequently, the scope of the operation itself and of the support required was constantly shifting.

Set against this list of criticisms was a single paragraph of praise:

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There were some good things in this project. Much of the support provided was outstanding (for example, logistics and communications). A number of individuals did superior jobs. Many people at all grade levels gave their time and effort without stint, working almost unlimited hours over long periods, under difficult and frustrating conditions, without regard to personal considerations. But this was not enough.

To say that the report was not well received would be putting it mildly. General Cabell put his views in writing in a memorandum of 15 December 1961. These excerpts are typical of his reaction to the report:

It is not clear what purpose the Inspector General's report is intended to serve. If it is intended primarily as an evaluation of the Agency's role, it is deficient. Neither Mr. Dulles nor I was consulted in the preparation of the Inspector General's report. As a result, there are many unnecessary inaccuracies.

The report misses objectivity by a wide margin. In unfriendly hands, it can become a weapon unjustifiably to attack the entire mission, organization, and functioning of the Agency. It fails to cite the specific achievements of persons associated with the operation and presents a picture of unmitigated and almost willful bumbling and disaster.

In its present form, this is not a useful report for anyone inside or outside the Agency. 154/

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McCone commented at his Deputies' Meeting of 4 January 1962 that he was under pressure from the Attorney General and the Killian Board for copies of the IG report on the Cuban Operation. He said that, inasmuch as this had occurred before he assumed responsibility, he was going to send the report over with the responses to it bound with it. He noted that he had the DDCI's comments but not those of the DD/P. Helms said that Bissell, Barnes, King, and Esterline were working on the DD/P response and that Barnes had promised to have it ready by the end of the week.

The DD/P response, which was dated 18 January 1962, was only three pages shorter than the report itself. The response argued that a large majority of the conclusions reached in the IG survey were misleading or wrong; that the report was especially weak in judging the implications of its own allegations; and that the utility of the report was greatly impaired by its failure to point out fully or in all cases correctly the lessons to be learned from the experience. 155/

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Simultaneously with submitting the DD/P response, Barnes forwarded a memorandum to the DD/P, with a copy to the Inspector General, giving his personal views on the IG report. He called it "an incompetent job, biased, and malicious, or, if not malicious, intentionally biased." Barnes stated that he was addressing his memorandum to Bissell as his immediate superior and added a hope that "you will agree with my request that the memorandum be passed to the DCI for his consideration. I do not, of course, ask that you associate yourself with it or any part of it merely because you transmit it." 156/ Kirkpatrick commented on Barnes' memorandum in a "personal and confidential" memorandum for Barnes dated 22 January, in which he took strong exception to the views expressed by Barnes. 157/ Bissell forwarded Barnes' memorandum to McCone on 27 January with a transmittal memorandum in which he endorsed Barnes' views:

I may say that I am in agreement with Mr. Barnes that the Survey, largely by reason of the omission of material relevant to its conclusions, constitutes a highly biased document and that the bias is of such a character that it must have been intentional. 158/

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Dulles gave McCone his views on the IG report in a memorandum of 15 February. The tone of his memorandum was remarkably temperate, given the anguish that the failure must have caused him. He commented that at no time during the preparation of the report did the Inspector General request any information from him and added that the report made serious errors in areas where his direct responsibility was clearly involved. His views were adequately summarized in a single paragraph:

The Inspector General's report suffers from the fact that his investigation was limited to the activities of one segment of one agency, namely, the CIA. Opinions based on such a partial review fail to give the true story or to provide a sound basis for the sweeping conclusions reached by him. 159/

Although there is no reference to it in Kirkpatrick's diary or in any of the other papers available for review, Dulles and Cabell confronted Kirkpatrick with their views on the inadequacies of the survey in a meeting in Kirkpatrick's office. John Earman was present and recalls that it was an extremely stormy session. Dulles, once a close friend of Kirkpatrick, did not even speak to Kirkpatrick for over a year following the meeting. 160/

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Kirkpatrick asked the inspectors who worked on the survey of the Cuban Operation to give him their comments on the DD/P's analysis of the IG report, which they did in a short memorandum to Kirkpatrick on 26 January. These are excerpts:

... The Survey's intent was to identify and describe weaknesses *within the Agency* which contributed to the final result and to make recommendations for their future avoidance The Survey expressly avoided detailed analysis of the purely military phase of the operation Much of the DD/P's Analysis is devoted, however, to a discussion of the governmental decision-making and to a rehash of military operation There is a fundamental difference of approach between the two documents The Analysis shows a poorer grasp of what was going on at the case-officer level than of events in policy-making circles

In retrospect, perhaps the best balanced statement that was made about the IG report on the Cuban Operation appeared in a memorandum that McCone wrote transmitting a copy of the report to Killian:

As you readily understand, I am not in a position to render a personal opinion concerning the validity of the IG's report or the statements by the DDCI and the DDP because I was not in CIA at the time. However it is my personal opinion as a result of examinations I have made of this operation after the fact that both the report and the rebuttals are extreme. I believe an accurate appraisal

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of the Cuban effort and the reasons for failure rest some place in between the two points of view expressed in the reports. 161/

So much for the Cuban report. It may not merit so full a treatment in this office history, but there was never another like it. There have been other controversial reports but never one that generated so much high-level indignation and name-calling. Copies are tightly held even today.* The Director's approval is required before allowing anyone to read the Inspector General's file copy.

The other major event in 1961 affecting the Office of the Inspector General was the replacement of Dulles by McCone in November, which led not long thereafter to the transferring of Kirkpatrick to other duties. In August, Dulles had discussed with Kirkpatrick the possibility of finding a replacement for Dulles from within the Agency. Dulles said that he was pushing Tracy Barnes for the job and asked Kirkpatrick if he had any views on who else besides Kirkpatrick himself was qualified. Kirkpatrick recorded

* Early 1973.

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the question in his diary but not his answer. 162/
On 3 October, Dulles told Kirkpatrick that he doubted that McCone would make any changes at the top levels except for the DDCI. Kirkpatrick asked Dulles what he thought the "appropriate actions" of the senior lieutenants should be and said that he was considering submitting his resignation so that McCone could either make a change or reappoint him. Dulles "violently disagreed" with this, saying that he thought it would be very bad precedent. 163/

McCone told Kirkpatrick on 1 December 1961 to turn his duties over to his deputy so as to be available to work for McCone on organizational matters for the next three months. McCone said that he wanted the other members of the working group he planned to form to come from outside the Agency and mentioned Patrick Coyne and General Cortlandt Schuyler as possibilities. He said that he did not want it advertised but that the working group would concern itself with personnel assignments. 164/ A working group to study CIA and intelligence community organization and activities was established by McCone on 5 December, with Kirkpatrick as chairman and Coyne

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and Schuyler as members. 165/ David R. McLean was named Acting Inspector General on that same date. 166/

The working group's final report and recommendations were submitted to the Director on 6 April 1962, and the group was dissolved on 10 April. 167/ Kirkpatrick's days as Inspector General effectively came to an end with the naming of him to the working group on 5 December 1961. He never returned to the job. In late March 1962, the DDCI offered the soon-to-be-created position of Executive Director to Kirkpatrick, and he accepted it. 168/ Kirkpatrick was named Executive Director on 10 April 1962, the day that the working group was dissolved. 169/

Thus came to a close the nine-year era of Inspector General Lyman B. Kirkpatrick. The role of the Inspector General as it was viewed in the Agency when he left the job was largely his own creation. He inherited little from his predecessor in the way of tradition, doctrine, or procedures. While it is true that Hedden had established the position of the Inspector General in the Agency's scheme of things, he had not consolidated the mission

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nor gained any appreciable degree of acceptance of it by the Deputy Directors.

Upon taking over in April 1963, Kirkpatrick moved forward on two fronts. On one front he began building a staff large enough to do the job he envisioned for the office, worked out the procedural aspects of conducting inspections, and launched a comprehensive program of component surveys. On the other front, he embarked on a two-year battle to extend his inspection authority to include the Clandestine Service. By the mid-fifties, he had the office functioning as he thought it should and had succeeded in establishing his authority as the Inspector General for the whole of the Agency on all matters properly of Inspector General cognizance.

The challenge of creation, however, is of a much higher order than that of stewardship, and Kirkpatrick was not content merely to oversee the running of a small office whose work had settled into a steady routine. The one job itself was no longer enough to contain his drive, and he began taking on other responsibilities. Eventually, these other duties came to occupy a large portion of his

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time at the expense of detailed attention to the work of inspecting. It cannot be demonstrated that he in any way neglected his primary responsibility, but it is abundantly clear that by the late 1950's he had ceased to be a full-time Inspector General.

The story of the Kirkpatrick years as the Agency's Inspector General would be incomplete without a few words about Kirkpatrick, the man, as revealed in the writings he left behind. He comes through as a man of breadth, of imagination and creativity, of ambition and drive, and with a deeply felt concern for the well-being of the Agency. Perhaps what strikes one most forcefully about his approach to the job was the marvelous self-confidence he displayed in every aspect of it.

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Chapter IV

Interregnum

Deputy Inspector General David R. McLean was named Acting Inspector General on 5 December 1961 to cover the period of Kirkpatrick's detail to the working group on intelligence community organization and activities. He was to serve in that capacity until 2 May 1962, when Earman was named as the new Inspector General. He took over a staff of eight inspectors, two of whom left during the period. One replacement was added. Although McLean had been Deputy for only three months before taking over as Acting IG, he had served on the staff for nearly three years, was well acquainted with its work, and had Kirkpatrick's confidence. He merely continued the inspection program then under way.

The frictions between the Inspector General and the Clandestine Service, which had always simmered close to the surface, finally erupted in March 1962 with the filing by Bissell of a written protest to the Director. In retrospect, the clash probably

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began taking shape as early as 1960. The IG report of survey of NE Division submitted that year was highly critical of Division management and most especially of the Division Chief himself. The Division Chief personally protested to the Director, and the Division's response to the report caused so much furor that Bissell thereafter had DD/P responses to IG reports of survey prepared under the supervision of the Chief, Operational Services. 170/ Bissell himself had little complaint about the Inspector General's formal inspection reports until he received the report on the Cuban Operation in November 1961. He considered it to be prejudicial and replete with errors of fact. Although generally satisfied with the results of surveys, he had become progressively less satisfied with the posture that the Inspector General and his staff were assuming in relation to the Clandestine Service. He saw evidence of what he considered to be a tendency on the part of the Inspector General increasingly to insert himself into the management of the Clandestine Service and to be hypercritical and occasionally less than objective in his observations on CS matters. Bissell cited

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four specific instances in support of his view:

On 17 November 1961, the Inspector General had sent a memorandum to Bissell urging that he personally see that a deep cover agent was promoted to GS-16.

In late November 1961, the Inspector General had sent a cable to an Area Division Chief, who was then abroad, requesting that he look into the morale of the

[redacted] Bissell did not receive a copy of the cable.

(b)(1)
(b)(3)

On 11 December 1961, the Acting IG sent a memorandum to Bissell recommending that a letter of reprimand be given five officers involved in an attempted recruitment [redacted] which failed.

(b)(1)
(b)(3)

On 8 February 1962, the Acting IG sent a memorandum to the DD/P which Bissell interpreted as an assertion of the right of the Inspector General to insist on the prior coordination with him of specific personnel arrangements and of the Inspector General's right to enforce this requirement by issuing instructions to the Director of Personnel.

Bissell recommended that the Director redefine for all concerned the role of the Inspector General, basing the definition on "the generally recognized function of a senior staff officer who was an inspector and adviser." 171/

McLean's rebuttal of Bissell's charges, which he coordinated with Kirkpatrick, argued that the IG Staff consisted of a small group of senior and widely

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experienced officers who provided a seasoned, objective, and independent view of Agency activities; that no case had been made for changing the procedures of the Inspector General; and that it would be a mistake to restrict the Staff to rigidly and narrowly defined limits and procedures. He defended his and Kirkpatrick's actions in each of the cases cited by Bissell. McLean, incidentally, was the instigator of all of them. On the first two points he merely argued that the IG actions did not represent undue interference in the prerogatives of command. He pointed out that the investigation of the unsuccessful recruitment attempt [redacted] had been ordered by Dulles himself. The fourth item concerned a proposal to re-employ a retiring staff employee on a contract that would have paid him \$3,000 per year more than he had been paid as a staff employee. Bissell acknowledged that the Acting IG's criticisms were valid but said that the situation had been corrected. McLean countered this by pointing out that the proposal has been submitted to the DDCI twice and had been approved by him both times in ignorance of the full facts. 172/

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McCone chose to ignore the issue, because by the time it arose Bissell was no longer DD/P and Kirkpatrick's replacement as Inspector General was under consideration. 173/ At his Deputies' Meeting on 20 March, he announced the changes being made in the DD/S organization and raised the question of an increase in the size of the IG Staff. He said that he thought that this was important provided the right caliber of officers could be assigned. Helms commented that there was no argument about the necessity for inspections but that finding good people for assignment to the Staff was a real problem. McCone had proposed, among other things, that the Staff be expanded sufficiently to permit annual inspections of all overseas installations. Scoville questioned whether annual visits to field stations were necessary. The Director asked General Carter to look into the matter. After the meeting, White suggested to Kirkpatrick that Bannerman would be a good choice as Inspector General. 174/

Certain of the DD/S organizational changes to which the Director referred at his morning meeting of 20 March affected the Office of the Inspector

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General. Effective 1 April 1962, the DD/S was relieved of responsibility for directing and coordinating the activities of the Audit Staff. Coincidentally, the Inspector General was established as a separate component reporting to the Office of the Director. The Inspector General was given responsibility for coordinating and directing the activities of the Audit Staff and was relieved of responsibility for providing general guidance and supervision to the Legislative Counsel. 175/

McLean's brief tenure as Acting Inspector General came to a close on 2 May 1962 when John S. Earman was appointed Inspector General. Simultaneously there were established in the Office of the Inspector General the positions of Chief of the Audit Staff and Chief of the Inspection Staff. McLean was designated Chief of the Inspection Staff. 176/

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Chapter V

The Earman Years, May 1962-March 1968

John S. Earman had served under various titles as the assistant or principal assistant to a succession of Directors beginning with Admiral Hillenkoetter, and he continued initially in the same position under McCone. There was no love lost between him and Kirkpatrick. They had once worked together as assistants to General Smith, with Kirkpatrick being the senior of the two; and after Kirkpatrick became Inspector General he was irked at having to go through Earman to reach the Director. 177/ On the day Kirkpatrick took over as Executive Director, he spoke with Earman about his plans for the Director's staff, and, according to Kirkpatrick's version of the meeting, they agreed that after the transition period there would not be much of a job left for Earman and that perhaps a change to another office would be advisable. 178/ Earman recalls that Kirkpatrick told him bluntly that he was finished and could start looking for another job. 179/

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Earman thereupon reported to McCone that he had been fired by Kirkpatrick. McCone said that he had always had an executive assistant, that he intended to continue the practice, and that Earman could continue in the job if he wished. He suggested, however, that after so many years of being at the beck and call of the Director perhaps Earman would prefer something in which he was "on the other end of the buzzer." McCone offered Earman either of two positions if he chose not to remain as Executive Assistant to the Director: Assistant DD/S or Inspector General. McCone said that he viewed the former as a "constructive" job and the latter as a "destructive" one. Earman chose Inspector General and disagreed with McCone's concept of the position. He said that he viewed the role of the Inspector General, if properly discharged, as having a constructive influence on the work of the Agency. 180/

The DDCI called a special meeting of the Deputies on 13 April to announce among other things, the appointment of Earman as Inspector General. 181/ The appointment was officially confirmed by Agency notice with an effective date of 2 May 1962. 182/

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McCone gave Earman no instructions or guidance on how he wished his Inspector General to operate, although from his earlier reference to the "destructive" aspect of the job it may be inferred that he envisioned the Inspector General taking an adversary position in dealing with the heads of other components. Subsequent developments were to demonstrate that this surely was his concept of the role of the Inspector General. McCone did tell Earman that he thought there should be annual inspections of every field station or, if that were impossible, at intervals of not longer than every two or three years. He told Earman to determine what he would need in the way of men and money to meet this goal and assured him that he would make the necessary resources available. 183/

Earman reviewed prior staffing and production and concluded that annual inspections were out of the question. He was sure that, even if he had the required number of slots, he would not be able to obtain qualified people to fill all of them. Accordingly, he proposed a three-year cycle of inspections, which he felt could be maintained by doubling the officer strength from nine to 18 inspectors. General Carter

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accepted the proposal and authorized an increase in the T/O of the Inspection Staff from its then-existing strength of 15 to a strength of 29, adding nine officers and five secretaries. Carter said that he expected that the increase in staff size would permit inspections of all major components at least once every two or three years and added that he wished to have all foreign field installations visited (but not necessarily inspected in detail) by members of the Inspection Staff at least once each year. He urged each of the Deputies to ensure that top caliber officers from their Directorates were recommended for service on the Inspection Staff. 184/

Earman inherited a staff that consisted of McLean as Chief of the Inspector Staff and six inspectors. Three of the staff members were to leave before the year was out, and the other four were due for rotation by mid-1963. Thus, he was faced with the problem, not only of finding officers to fill the nine newly authorized positions, but of finding replacements for those soon to leave. He brought Lockhart and Chapin with him from the Director's office, and his predecessor had earlier arranged for the assignments

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of Greer and Dodge who were soon due to report. This left 14 of the 18 authorized positions either vacant or soon to become so.

The inspection program was at a very low ebb in May 1962. Only two component surveys were in progress: the National Photographic Interpretation Center and the Operational Areas of the CA Staff. On 15 May, Earman submitted to the Director a proposed inspection program for the remainder of 1962. He contemplated at least beginning inspections of the Estimative Process, of Non-Arab Africa, and of ORR. He planned visits to the field stations of EE Division, plus those WE stations that were missed in the most recent survey of WE Division. He also proposed that he continue Kirkpatrick's practice of making spot inspections of the scattered units in the Washington area.* 185/

Unlike Kirkpatrick, who was quick to decide and sure-footed in execution, Earman was a cautious man who preferred to examine all of the possible implications of a decision before making it. Two other

* In fact, the making of short-notice spot inspections had ceased in mid-1961, and the practice was never resumed.

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factors influenced his approach to the job. One arose from his own background in the Agency. Although he was a long-time GS-18, this was his first actual command, and he was most anxious to avoid any serious, early mistakes. The second was a legacy from his predecessor. Kirkpatrick left behind an atmosphere of mistrust of and resentment toward the Inspector General, especially on the part of the Clandestine Service. Earman was thus faced in his early months as Inspector General with having to demonstrate that he could handle the job and then to begin trying to ease the blight of mistrust and resentment attached to the role of the Office.

Much of the inspection manpower available in the summer of 1962 was devoted to investigating some thirty appeals from separation as surplus under the so-called 701 program, although a survey of NE Division was begun in early July, and surveys of AF and EE Divisions were started in the fall. Earman was himself a member of the team visiting the African stations, and McLean participated in the EE Division survey.

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In October 1962, Patrick Coyne, of the PFIAB, asked the Executive Director why the PFIAB no longer received CIA's IG reports. Kirkpatrick told him that Agency policy had been changed, and that IG reports would no longer be distributed outside of the Agency. Coyne objected, pointing out that this was contrary to previous practice and that he received IG reports from other agencies. Kirkpatrick said that perhaps summaries of information could be prepared for the PFIAB, and Coyne said that this would be helpful. 186/ No such summaries were ever prepared, and only one internal IG report was subsequently furnished to the PFIAB, and it was modified to disguise that it was, in fact, an IG report. 187/

Earman's real baptism as Inspector General began in early November 1962 as a consequence of the Cuban missile crisis. As early as 10 August 1962, nearly three weeks before photography disclosed the presence of SA-2's in Cuba, McCone suggested to a group of Government officials, including Secretaries Rusk and McNamara, that the Soviets might be planning to place offensive ballistic missiles in Cuba. He repeated these warnings to the President and to our

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committees in Congress. During September 1962, while in France on his wedding trip, the Director forwarded a series of cables in which he repeated his belief that offensive weapons would be installed; urged frequent repeat reconnaissance missions; suggested that the Board of National Estimates study the motives behind the defensive measures; and finally expressed a reservation regarding SNIE 85-3-62, the substance of which had been cabled to him. 188/

After the offensive missiles were discovered, President Kennedy reportedly asked McCone how it happened that he, McCone, was the only senior member of Government who accurately foresaw what the Soviets were up to. Kennedy also asked McCone if he had been privy to any information that the rest of the community had not seen. The President then directed that an investigation be made within CIA by "the people who looked into those charges down in Miami."* McCone directed at his morning meeting of 5 November

* The reference was to an investigation by CIA's Inspector General of charges of CIA misdoings in the Miami area, which had reached the President from a newspaperman. A report disproving the charges was furnished to the President. 189/

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that the Inspector General make a study of all of the inputs of raw intelligence that, in retrospect, might have been evaluated as indicators. 190/

There is one point of interest in this connection that was later to cause McCone to become dissatisfied with Earman's work as Inspector General. Very little action was taken on the cables that the Director sent from France. They were initially distributed by the Cable Secretariat to the Office of the DCI, and pertinent portions were passed to the DD/I and to the AD/NE by General Carter. McCone was highly incensed over the seeming disregard of his cables.

Earman formed a team consisting of himself, Greer, and Dildine and by working on a crash basis completed and submitted his report to McCone on 12 November. McCone read the report and returned it with 27 marginal comments or questions asking for clarification. Unfortunately, the report opened with a brief chapter entitled *The NPIC Caution*, which McCone found difficult to accept, and this may have prejudiced him against the report as a whole. Beginning in May 1962, the analysts had made it a practice to check with NPIC any report that was

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susceptible to photographic verification. When the Director briefed the President in mid-August on the situation in Cuba, the President directed that every effort be made to check out these continuing reports of an arms build-up in Cuba, mentioning specifically the new NPIC facility. The Director then orally instructed the DD/I to check every available source, particularly including NPIC. His admonition was passed on orally. By the time it reached the analytical level, an admonition to check had been distorted into a ban on publishing anything that could not be verified by NPIC; and, in fact, nothing susceptible to photographic verification was published that had not been so verified. 191/ McCone was furious when informed of this and wanted to know who had garbled his instruction. None of the officers in the communications line between the DD/I and the analyst could recall having heard of the instruction. The Inspector General concluded that when the Director's instruction of mid-August reached the analysts they assumed that the procedures in effect since May were inadequate and that a more positive and all-inclusive check was desired. 192/ McCone liked this explanation even less.

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Meanwhile, the Chairman of the PFIAB on 14 November 1962 asked McCone to prepare and submit to the PFIAB a joint report on intelligence community activities relating to the Soviet arms build-up in Cuba and to the missile crisis itself. McCone named a steering committee with himself as chairman and consisting of General Carter from CIA, Roger Hilsman from State, General Carroll from DIA, and General Blake from NSA. He appointed CIA's Inspector General as chairman of an interagency working group to conduct the review and draft the report for the steering committee's approval. Members of the working group were Greer and Dildine from CIA's Inspection Staff (who did all of the basic writing of the report), Samuel Halpern representing the DD/P, J. J. Hitchcock representing the DD/I, William McAfee from State, John Connelly from NSA, and Colonels Gillis and Wright from DIA. 193/

Earman and his IG team began work immediately on the PFIAB report, while simultaneously working on the revision of the internal IG report. The revised internal report was submitted to McCone and was accepted by him as finished on 20 November. Meanwhile, Earman had met with the working group and furnished the non-IG

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members with a questionnaire to be used by their agencies in preparing contributions to the joint report. When the contributions were received, the IG team put together an initial draft. There then followed a seemingly interminable series of meetings of the working group and of meetings of the working group with the steering committee, with the IG team rewriting the drafts for each subsequent review. In all, the report went through seven draft versions. Many of the changes were made to accommodate the need of each agency representative to protect the interests of his own Agency, but much of the delay was caused by McCone's own dissatisfaction with the various drafts.

McCone's unhappiness centered on two points, one expressed and the other not. First, the report was silent concerning the views he expressed in his September cables from France, and second, the account it gave of what transpired at a meeting of the Special Group on 9 October differed from McCone's understanding of what the Special Group had approved.

There were two reasons for omitting mention of the Director's cabled views. The other members of the

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working group would not agree to including reference to them in a joint report, since they had not been passed to the other members of the community at the time they were received nor at any time later. Also, McCone had returned from France in time to have done something about the cables, but he had done nothing. Earman could not bring himself to freeing McCone of fault by shifting all of the blame to General Carter. McCone never actually said that he wanted the report to give him full credit for his foresight, nor would he go so far as to insert his own language to accomplish this, but he was obviously upset with Earman over Earman's unwillingness to accede to his unspoken wishes.

The difficulty over interpretation of what happened at the 9 October Special Group meeting arose in an odd way. One of the major problems facing the community at the time was that it did not know the operational status of the SAM sites in Cuba and, hence, the risk of continuing U-2 overflights of the island. Accordingly, the Special Group approved a U-2 overflight of the two SAM sites that were most likely to be operational "to see if they lit up."

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What the Special Group members did not fully understand was that there was a strong view held at the analytical level that something unusual was going on in a specific area west of Havana. Consequently, having gotten approval for an overflight, the analysts and the flight-planners got together and drew the flight tract to pass over and photograph the suspect area enroute to the target SAM installations. Thus, the mission that first detected the MRBM's was actually approved primarily as an overflight of known SAM sites. McCone had not been aware of the dual targeting of the mission, and convincing him of it proved to be an extremely difficult task. He finally agreed, however, that the evidence was overwhelming and accepted the working group's version.

Dr. Killian had requested that the community's report be ready for review by the PFIAB at its meeting of 7 December, but it soon became apparent that the report could not be completed by then. The steering committee met on 5 December to review the draft submitted by the working group. Numerous changes were suggested and accepted. It was agreed that when the steering committee and the working group met with

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certain members of the President's Board on the following day the discussion would be limited to an oral progress report. The board members would not be given a copy of the draft then in being, because it had not been fully agreed to by the steering committee.

The steering committee and working group met with Messrs. Doolittle, Gray, Murphy, Ash, and Coyne on the afternoon of 6 December. It was agreed at that meeting that the steering committee, only, would meet with the full board the following morning. The steering committee committed itself to having a completed report ready for submission to the PFIAB in about ten days to two weeks.

McCone informed the other members of the steering committee in a memorandum of 11 December that the President's Board would meet in Washington on 27 and 28 December to consider the community's report. He promised that a revised draft of the report would be in the hands of the steering committee members on 17 December and proposed that the steering committee meet on 19 December to fully consider the revised draft.

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On 14 December, Earman forwarded to each member of the working group a copy of a draft report, revised in accordance with the suggestions of the steering committee at its meeting of 5 December. He called for a meeting of the working group on 15 December to consider the draft and to agree upon changes to be included in the draft to be submitted to the steering committee for review at its meeting scheduled for 19 December. The working group met on the 15th as proposed and agreed upon changes to the draft. A revised draft was forwarded to each agency on 17 December as promised.

At the USIB meeting on the morning of 19 December, McCone informed the USIB of the status of the report. The minutes note that

With respect [to the report], the Board concurred in the Chairman's view that formal USIB consideration and action on this report would not be required beyond completion of the report by the steering committee ...

The steering committee, plus Mr. Kirkpatrick, met with the working group on the afternoon of 19 December. It was unable to complete its review of the draft at that meeting and agreed to resume the following morning. The review was finished the next day,

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and the steering committee agreed that the draft was near enough to being in final form that no further meetings of the steering committee were needed.

Following its meetings with the steering committee on the 19th and 20th, the working group revised the draft to conform to the working group's understanding of the wishes of the steering committee. Earman and his assistants prepared a new draft based upon the agreed suggestions of the steering committee and of the working group. A copy of this draft was hand-carried to McCone on the West Coast by his Executive Assistant, Walter Elder. Elder called Earman from the West Coast at midday on 24 December and dictated the changes that McCone wanted made in the draft. McCone, too, participated in the telephone call. Also, while Elder was speaking with Earman, McCone placed a call to McGeorge Bundy to discuss the distribution of the report. Bundy asked that a copy be delivered to him in Boston that day and directed that no distribution be made "outside the Government" until he had had an opportunity to read and approve it. One of McCone's security aides flew a copy to Bundy on Christmas eve, and Earman and his assistants

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worked until the small hours of Christmas morning revising the text to accommodate McCone's most recent changes, getting copies reproduced, and preparing them for distribution.

The final version of the report listed these as its summary conclusions:

Although the intelligence community's inquiry into its actions during the Cuban crisis revealed certain areas where shortcomings existed and where improvements should be made in various areas of intelligence collection and processing, the intelligence community operated extensively and well in connection with Cuba. Every major weapons system introduced into Cuba by the Soviets was detected, identified and reported (with respect to numbers, location and operational characteristics) before any one of these systems attained an operational capability.

A relatively short period of time ensued between the introduction of strategic weapons into Cuba, particularly strategic missiles, and the commencement of the flow, although meager, of tangible reports of their presence; detection of their possible presence and targeting of the suspect areas of their location was accomplished in a compressed time frame; and the intelligence cycle did move with extraordinary rapidity through the stages of collection, analysis, targeting for verification, and positive identification.

The very substantial effort directed toward Cuba was originated by an earlier concern with the situation in Cuba and the effort, already well under way,

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contributed to the detection and analysis of the Soviet build-up.

Information was disseminated and used.

Aerial photography was very effective and our best means of establishing hard intelligence.

The procedures adopted in September delayed photographic intelligence, but this delay was not critical, because photography obtained prior to about 17 October would not have been sufficient to warrant action of a type which would require support from Western Hemisphere NATO allies.

Agent reports helped materially, however, none giving significant information on offensive missiles reached the intelligence community or policy-makers until after mid-September. When received, they were used in directing aerial photography.

Some restrictions were placed on dissemination of information, but there is no indication that these restrictions necessarily affected analytical work or actions by policy-makers.

The 19 September estimate, while indicating lack of probability that MRBM's would be placed in Cuba, did state that the contingency must be examined carefully; the estimators in preparing the 19 September estimate gave great weight to the philosophical argument concerning Soviet intentions and thus did not fully weigh the many indicators.

The estimate of 19 October on probable Soviet reactions was correct.

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Bundy called General Carter on the morning of 26 December. He said that he had been through the report and that he thought it "a pretty adequate job." Carter told Bundy that commitments had already been made to make distribution of the report that day. Carter's assistant, Enno Knoche, was flying to Chicago to meet McCone, taking with him the latest version of the report; a copy was to be flown to Dr. Killian in Boston; and copies were to go to PFIAB Secretary Patrick Coyne and to the members of the steering committee. Bundy said that in view of this he would consider himself as having been furnished an advance copy purely for information purposes and would not inject himself into the matter at that time.

The version that was distributed was labelled a "draft report," since the final text had not been reviewed by the other members of the steering committee. Roger Hilsman, of State, called General Carter on the 27th, taking exception to several portions of the text. General Carroll, of DIA, also objected to certain portions of the draft report as distributed. His suggested changes were submitted

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in writing. McCone, Carter, Kirkpatrick, and Earman and his assistants met on the afternoon of the 27th to consider the changes recommended by State and DIA. The result of that meeting was the issuance of "change sheets" asking the various holders of the draft report to make the changes noted. Very few of the changes recommended by State and DIA were considered to be of enough importance to warrant their being included in the change sheets.

In an executive session of the USIB on January 3rd

The Chairman explained that, in submitting the draft report regarding Cuba to the President's Board, he had offered to provide supplementary information if requested. Not having received such a request, the Chairman proposed, and the USIB concurred, that he would advise the President's Board that the draft report submitted on 26 December 1962 should be considered the final report.

Thomas L. Hughes, Acting Director of Intelligence and Research, represented the Department of State at the 3 January USIB meeting. McCone, in a memorandum of 7 January, informed the PFIAB and the members of the steering committee of the USIB decision.

Earman may have thought that he was finished with the Cuban missile crisis, but this proved to be far

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from so. McCone had told Earman that he thought it a fine report, although, in retrospect, none who had worked on it was satisfied with the end product. Too many compromises were necessary in order to arrive at a text that was in any way acceptable to all concerned. Patrick Coyne, the Executive Secretary to the PFIAB, thought the handling of the crisis had been an intelligence failure rather than the success claimed in the joint report. He apparently found McCone willing to listen, for a short while later McCone told Earman that "your report is a complete whitewash."

Subsequently, when McCone met with the PFIAB to discuss the report, he took Earman with him to answer any questions that McCone might be unable to field. Earman remained in an outer office while McCone met with the board. Dr. Killian came out and spoke with Earman, telling Earman that he and the rest of the Board thought that the report was excellent. Coyne persisted, however, and asked for follow-up reports. McCone wrote these supplementary reports himself, probably reflecting his dissatisfaction with the earlier IG-written report. Earman did

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not learn of the existence of the other reports until much later. They are not included in the IG files on the Cuban missile, which incidentally occupy some four linear feet of storage space.

The USIB at its meeting on 27 February discussed the matter of Congressional briefings on the Cuban missile crisis. The following is an excerpt from the minutes:

Discussed various aspects related to hearings concerning Cuba before Congressional committees. In this connection, the USIB members agreed that the DCI's report to the President's Foreign Intelligence Advisory Board on Intelligence Community Activities Relating to the Cuban Arms Build-up (14 April through 14 October 1962) provided the best reference document available for guidance in testifying before Congressional Committees regarding intelligence actions during that period. The Chairman stated that he was also preparing a memorandum today on U-2 overflights of Cuba during the period 29 August-14 October 1962, and that he would circulate copies to interested Board members when it was completed.

Earman and his assistants had already prepared such a memorandum at McCone's direction and it was distributed on 27 February with this admonition: "The attached paper and its enclosure is for background use only. It will not be used as a verbatim

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briefing paper." The paper, "Chronology of Cuban U-2 Overflights," gave a factual and accurate account of the differing views held within Government at the time concerning the need for U-2 reconnaissance of Cuba and the tracks to be flown on the various missions.

U. Alexis Johnson wrote to McCone on 6 March 1963 stating his objections to the briefing paper. He made it clear that he was speaking for the Secretary of State. These are the more interesting of his comments:

... my own preference would be toward revision of the memorandum to delete all reference to personalities and institutions as well as debatable subjective judgments ... and to confine the memorandum to a straight factual account of events.

With respect to Mr. McGeorge Bundy's memorandum of February 25 addressed to the Secretary of State, the Secretary of Defense and the Director of Central Intelligence, you will note that he refers to the top secret code word report prepared by you for the Foreign Intelligence Advisory Board with respect to intelligence on Cuba before and during the October crisis as a "coordinated report." In this connection, it is my understanding that, while other agencies assisted in the drafting of the report, you did not seek nor obtain their concurrence in the final draft but rather considered it your personal report to the Intelligence Advisory Board. This was certainly entirely proper on your part and accordingly the Department of State did not insist that a number of suggestions

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and amendments, which it offered but were not accepted by you, be made prior to submission of the report. Thus, if you concur, I suggest that Mr. Bundy's understanding of the exact status of the report be clarified.

McCone replied to Johnson in a coldly worded memorandum of 7 March. He traced the evolution of the final draft version, noting State's participation throughout, and concluded thus:

... I continue under the impression that the report is the product of a joint effort and the final draft representative of the coordinated viewpoint of the intelligence community. I therefore feel that Mr. Bundy's understanding of the status of the report is correct.

McCone sent Bundy a copy of his memorandum to Johnson, as Johnson had done with his memorandum to McCone, and there that particular controversy ended, although this was by no means the last of Earman's involvement with the Cuban missile crisis.

In late February 1963, McGeorge Bundy asked that he be furnished 12 copies of the original report for distribution to certain members of the White House staff. Since the clearances of those who might read the report were unknown, the report was sanitized by deleting reference to a sensitive program, which permitted it to be circulated with fewer controls. 194/

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Throughout this period, Earman was heavily engaged in shepherding the Cuban report through its several drafts, and he left the Inspection Staff largely in charge of his deputy, David McLean. McLean was due for rotation, having already served on the Inspection Staff for over four years. He returned to his parent component, WH Division, in March 1963 and was replaced as Chief of the Inspection Staff by Edgar J. Applewhite, who had joined the staff as an inspector in August of the preceding year. 195/

The Cuban missile crisis reared its head again in June 1963. Patrick Coyne, still unpersuaded, prevailed upon McGeorge Bundy to sign a memorandum requesting an intelligence community report on actions taken or contemplated to avoid getting caught short with another crisis such as that in Cuba. The memorandum posed six questions to which detailed replies were requested. 196/

Essentially the same exercise that had been gone through in late 1962 was repeated. The steering committee had the same membership, except that Thomas Hughes replaced Hilsman as the State member. The working group differed only slightly. Colonel Blake

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replaced Colonel Wright from DIA. Greer was abroad on a survey of SR Division, and Earman recalled him to work on the writing of the report. Dildine had left the staff, and his place was taken by Breckinridge.

Although the participants were little changed, the approach to the writing of the report was quite different from that used in the PFIAB report. All of the drafting of the original PFIAB report was done by the working group, primarily by the CIA IG team members. This second report, which was called *U.S. Foreign Intelligence Objectives*, was compiled initially by editing and assembling drafts submitted by intelligence community components assigned to write drafts in response to assigned questions. The effort got under way on 1 July. The steering committee and working group had experienced no great difficulty in putting together the original report to the PFIAB -- other than the usual problems of trying to write and to edit in committee. The earlier report became the subject of controversy after it was distributed, but the drafting was done in relative harmony. This was not at all true of the second report.

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The first draft consisted merely of the assembled contributions from those components assigned to write responses. By 16 August, the working group had edited these contributions and had a second draft ready for distribution. McCone, Carter, and Kirkpatrick received copies. Kirkpatrick called it "extremely wordy, repetitive, hortatory, and adjectival." McCone said simply that it was too long and too detailed. (It ran to some 60 pages.) He directed that it be shortened to not more than four or five pages per objective and that the tone be moderate -- neither apologetic nor arrogant. He asked for a completed draft by 24 August, since he planned to leave town the following day. He wanted the final report to be ready for USIB consideration at its meeting on 4 September.

At that point there was no choice but for the IG team members to write a completely new draft, which they did, producing a paper that reduced the original submissions from 60 to 28 pages. This draft was extensively edited by the working group on 19 August and was reproduced and distributed on 20 August. Another meeting of the working group was scheduled for 22 August to incorporate any changes desired by

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McCone or the other members of the steering committee.

McCone reviewed the fourth draft on 21 August. He considered it too negative in tone and asked that it be completely rewritten "to make it more constructive." (What he actually meant was that it dwelt too much on what the community was doing and too little on CIA's role.) Since a major rewrite was required, the 22 August meeting of the working group was cancelled, and the group was never reconvened.

The DIA and NSA members of the working group called on 21 August. They had checked the fourth draft with their principals, and it was acceptable. No comments were received from the State member.

However, since McCone was dissatisfied with the fourth draft, a new draft was written by the IG team members, and a copy was forwarded to McCone on the West Coast.

Walter Elder reported on 29 August that McCone had read the report, although not in detail, and thought the approach was about right. He asked that the draft be circulated to the other members of the steering committee and that they give him their views by 3 September. This was done on 30 August. That

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same day, both the NSA and DIA members of the working group called with a few suggested changes. Earman called the State member who reported only that he had been unable to see Hughes.

McCone had completed his detailed study of the report by 3 September and furnished his instructions regarding revisions. He deleted the entire Section IV on National Estimates and substituted therefor a report that had been prepared for him by a panel of consultants. He directed that a new version be prepared, incorporating his changes, which he would then forward as "his" report. Anyone who objected to it "could take a footnote."

A new draft was prepared and was reproduced and distributed to the members of the steering committee on 4 September. The transmittal memorandum, which was signed by McCone, requested comments by close of business, 6 September, and noted that any such comments would be forwarded as annexes to the report. NSA agreed to endorse the report as written. DIA provided a short annex describing existing watch mechanisms in somewhat fuller detail.

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At the morning meeting of 5 September, the Director said that he had talked with Clark Clifford, the new PFIAB chairman, and that Clifford was most interested in getting the report without delay. McCone told Earman to call the working group members, get all of their comments, and then "get it out of here."

McCone called Earman on 8 September and said that he was making some further changes in the estimates section. The report had still not gone to the PFIAB, because McCone was not yet satisfied with it.

State's footnote was delivered to the CIA Watch Office on the night of 7 September. It was wholly unacceptable to McCone. He called Hughes and asked that it be withdrawn. Hughes refused. Hughes said that he had not seen any draft after the draft of 20 August and that the report had become McCone's report rather than a community report. (In fact, State had received additional drafts on 30 August and 4 September.) McCone sent Earman to State to try to persuade Hughes at least to revise the first two paragraphs of his annex in which he protested State's exclusion from participation in the final

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drafting. Hughes finally did so but with great reluctance.

The report went to Bundy and to PFIAB on 10 September. Change sheets were sent to the other members of the committee as a way of bringing their latest drafts up to date.

The first two of the six objectives dealt with in the report concerned improved current intelligence and early warning capabilities. The report treated them as a single objective, because no clear line could be drawn separating one from the other. It had this to say:

We do not hold that any of our systems is perfect, nor do we expect that one ever will be. Moreover, we doubt that real progress can be made through procedural modifications. Real advances in the quality of early warning can be achieved only through improved ability to acquire information from within the Communist Bloc (particularly the Soviet Union): the continued improvement of our capabilities to collect signals intelligence, the refinement of overhead reconnaissance techniques, and the building of a clandestine apparatus.

Objective number three concerned intensified resort to automatic data processing applications. The position taken by the intelligence community was that

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USIB has for the past year been conducting a study of the community's information processing systems in an effort to improve and make compatible the handling of information among the several agencies. This study, plus further detailed investigations, will provide the community with essential information concerning the objectives, capabilities and common problems of intelligence information processing systems, which is now lacking. Research in this field continues at a very high level.

Objective number four called for a re-examination of existing methods of arriving at national intelligence estimates. McCone wrote this response himself and had this to say

The ... questions concerning National Intelligence Estimates have given the Directorate of Central Intelligence the greatest of concern. The most important ingredient for the production of an intelligence estimate is the employment of highly qualified and intelligence-minded men whose purpose is to present their best objective judgment upon the complex questions normally involved in the preparation of an estimate. In this respect we feel that the Director of Central Intelligence and the United States Intelligence Board are well served, for the Board of National Estimates is well equipped with men of such qualifications and capabilities.

Objective number five proposed that discovering the terms of the agreements between the USSR and Cuba be made a major intelligence goal. Number six called

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for an intensified effort to improve clandestine collection capabilities with respect to Cuba. The report combined the two objectives, since they were so closely related. The report had this to say:

The USIB has for some time considered Cuba a top priority target for the clandestine collection of information and has expressed this concern through the medium of its Priority National Intelligence Objectives. The goals of discovering the terms of agreements between the USSR and Cuba and of improving clandestine collection capabilities against Cuba are treated collectively in the PNIO. We agree that collection operations should be pressed aggressively, and we will continue to do so. 197/

Most of the language of the report was McCone's own. He was exasperated with Earman's inability to prevail upon his colleagues on the working group to produce a joint report phrased as McCone wished, and he simply took it over and wrote much of it himself. He had lost patience with Earman, expressed his strong dissatisfaction to the DDCI, and instructed Carter to discuss with Kirkpatrick possible candidates as a replacement. Carter reviewed the situation with Kirkpatrick on 4 September 1963. 198/

Earman survived this crisis and eventually gained McCone's confidence. One can only speculate

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as to why McCone decided to retain Earman in the job. Perhaps it was as a consequence of a report on personnel security, which was submitted about a month after completion of the Intelligence Objectives report. J. G. Dunlap, an Army sergeant assigned to NSA, had committed suicide on 23 July. After his death, evidence was found indicating that he was a Soviet agent. At his morning meeting of 27 September, McCone said that the Agency's security program had been explained to him, and he had been assured that it was effective. He wondered, though, if the Agency actually did all that it said it did in the security field and if the measures were effective. He directed Earman to make a study of personnel security in CIA. 199/

The study was made on a crash basis, and the report was submitted to McCone on 10 October. Its findings and conclusions which were to the effect that our personnel security program was sound and effective, apparently matched personal views that McCone had arrived at independently and merely wanted confirmed. He liked the report and took not a single exception to it. 200/ He mentioned it to Clark

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Clifford, then Chairman of the PFIAB, and Clifford asked if he might have a copy. McCone asked Earman on 21 October if the report could be revised to conceal the fact that it resulted from an IG inquiry. Earman assured him that it could be so revised, and this was done. 201/

It is perhaps unreasonable to assume that so relatively minor a report could have influenced McCone to change his mind about his Inspector General, but this seems to have been the case. There is nothing in the available records to indicate that McCone was thereafter in any way dissatisfied with Earman's work. In fact, within less than a year he was to accept an IG report on a controversial issue without question and to use it as his sole evidence in facing down his critics. The 12 June 1964 issue of *Time* magazine had carried an item about the seizure by the British near Anguilla Cays of a boat and its eight occupants, including Manolo Rey, a Cuban freedom fighter. Rey and his companions had set out to "invade" Cuba. *Time* reported that Rey's boat had been launched from a CIA mother ship and that a "CIA type" had appeared at his trial in Nassau to pay his fine.

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McCone ordered Earman to send a team to Miami to investigate CIA's reported involvement in the bungled operation. The team confirmed the accuracy of the earlier assurance given McCone [REDACTED] (b)(3) that CIA had nothing to do with Rey's "invasion." McCone tried to get *Time* to retract the story but failed. 202/

By November 1963, the Inspection Staff had 11 inspectors actually on duty, all of whom had entered on duty after Earman's takeover. The Executive Director, on 7 November, pointed out to Earman that together the Inspection and Audit Staffs had a total of 14 unencumbered positions and asked if Earman would object to "lending" these vacancies to John Bross' new National Intelligence Programs Evaluation (NIPE) Staff "until such time as the overall Agency ceiling was squared away." Kirkpatrick stressed that this would not constitute a reduction in the IG's T/O, but was only a stop-gap measure to enable Bross to get into business. Earman checked and found that there were 13 rather than 14 vacancies and that commitments had been made to fill four of them. All of the unfilled positions were in the Inspection Staff. Earman agreed to "lend" Bross the

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nine unencumbered and uncommitted positions. 203/ It is perhaps relevant to note that the "lent" positions were soon to become "given" positions. Action Memorandum No. 319 of 6 December 1963 called for economy measures. Earman complied by proposing to reduce the number of inspector positions from 18 to 14 and the number of clerical positions from ten to six. 204/

In December 1963, John Clarke, Director of the newly established Budget, Program Analysis, and Manpower (BPAM), asked if he could review all reports of survey and special studies prepared since Earman became Inspector General and also asked if he could be placed on the distribution of future surveys and studies. Earman checked with Kirkpatrick and then told Clarke that he would make the reports available on the understanding that they be held within BPAM on a strictly need-to-know basis. 205/

This had been a busy year for Earman and the Inspection Staff. In addition to the Intelligence Objectives report and the Personnel Security study, the Staff had completed surveys of four DD/P divisions, one DD/I office, and the Cable Secretariat. Two other minor special studies were made. At year's end, surveys were in progress on ORR, OSI, and the

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Office of Personnel. The repeat inspections of ORR and OSI marked the end of the second cycle of inspections, which Kirkpatrick had begun in 1959, and the beginning of the third cycle. As was noted earlier, the Director wanted subsequent cycles to be completed in no more than two or three years, but the reduction in authorized strength made this impossible. Although no written mention was made of it at the time, the goal settled upon was a five-year cycle.

There are repeated references in Kirkpatrick-originated correspondence to the so-called "cycle" of inspections, but those who worked for him do not recall any stress having been placed on completing a cycle by any given date. 206/ This was also true of the first year and a half of the Earman era. At the end of 1963, however, E. J. Applewhite, who was then Chief of the Inspection Staff and Deputy Inspector General, laid out a precise inspection program for calendar year 1964, which assigned inspectors to specific teams and scheduled opening and finishing dates for each of the surveys. Unfortunately, the proposed program provided no cushion for unexpected investigative requirements nor for surveys that ran

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into snags. It contemplated varying team size so as to complete each survey in about 14 weeks, flying in the face of accumulated evidence that the average survey took six to eight months to complete and that increasing team size did not significantly decrease time to completion. By the end of the first quarter of 1964, it had become apparent that the schedule was unrealistic and it was abandoned. 207/

The arrangement that Kirkpatrick had made with the Cable Secretary in 1955 for use of the (b)(3) indicator on sensitive IG cables provided for an initial single-copy distribution to the Inspector General. He was responsible for passing its contents to those with a need to know. In February 1964, the DD/P proposed to the Inspector General that he be included on the distribution of all cables, (b)(3) his point being that any such cables would relate to his own responsibilities for the conduct of Agency activities abroad. Earman agreed, and Cable Secretariat dissemination procedures were revised accordingly. 208/

Eleven component surveys were completed and reports distributed during Earman's first two years in office. He reviewed each report with care, but

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he did little actual editing himself. He began his reading with a full jar of paper clips at his elbow and inserted clips at those points in the text about which he had questions or comments. He then met with the team captain and gave oral instructions on the needed revisions of the report. The same process was then repeated and perhaps repeated again and again until he was satisfied with the text.

The first 11 reports moved smoothly through the response and review cycle, but the twelfth caused a flap of truly magnificent proportions. It was a survey of the Office of Research and Reports (ORR), which was nearing completion in May 1964. The team captain, Scott Breckinridge, with Earman's approval, distributed to ORR copies of the inspectors' first drafts of reports on the ORR components they had inspected. Breckinridge's intention was to meet with the various ORR officers concerned for discussions of the accuracy and validity of the findings before beginning serious writing of the report. He knew that one section was controversial, but he did not anticipate the violence of ORR's reaction. The Director and Deputy Director of ORR took the report

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as being an attack on their stewardship over the years, and the chief of the Economic Research Area was furious over what was said about this area. ORR's reaction was so extreme that the hoped-for dialogues was out of the question. 209/

In reviewing the report after a lapse of several years, it is difficult to see the reason for all of the shouting. At the root of the problem was the managerial style of the chief of the Economic Research Area, although the criticisms of him were by implication only. The three points made by the inspectors to which ORR most vociferously objected were

There was an imbalance between ad hoc reporting and the basic research effort.

Economic intelligence research needs the services of a variety of economic intelligence officers, not all of whom need to be economists in the formal academic sense. In short, a balanced mix of officers is needed.

Employees greatly resent the office policy of requiring after-hours training in economics in order to advance within the office.

The report was written with great care and was intensively edited but without further consultation with ORR. The ORR response, as had been expected,

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was almost wholly negative and was unacceptable to the Inspector General.

Executive Director Kirkpatrick urged that an attempt be made to break the impasse by having the Inspector General and the survey team sit down with ORR officials in an attempt to resolve the differences. Earman flatly refused to be a party to negotiation and told his staff that, in the future, draft texts would not be submitted for review by the component being surveyed. 210/ He was later to relent on this somewhat, but he always remained wary of allowing a report to become the subject of controversy before he had fully committed himself to approving the report for distribution.

Earman inherited few files from his predecessor on the policies and procedures that had been developed during Kirkpatrick's years as Inspector General. He became concerned in 1964 that the office had little "memory" except as might reside in the secretaries who had long been with the office. Earman himself was relatively new in the job, and his deputy and all of his inspectors were on tours of from two to four years' duration with the staff. He saw a need for

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having one or two officers permanently assigned to the staff to provide continuity. Earman discussed this with the Executive Director and obtained approval to transfer two inspectors to the E Career Service. He chose Breckinridge and Greer for permanent assignment to the Inspection Staff. Breckinridge changed career designations in August 1964 and Greer the following January. 211/

An Agency-sponsored reconnaissance aircraft was shot down in January 1965 while on a sensitive operational mission over North China by an SA-2 missile in an area where NPIC had reported no SAM sites present. The DDCI asked for statements from OSA and NPIC relating to the shootdown. The memorandums he received were not at all in agreement. OSA claimed it had been assured by NPIC that there were no SAM sites along the flight track; NPIC denied that it had been asked to survey the track. The DDCI and DCI were angry and directed the Inspector General to undertake an immediate and full investigation to determine the true facts. McCone said that he then wanted a full inspection of NPIC to follow immediately thereafter, since he feared that he had been oversold

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on NPIC's capabilities. The report of investigation of the loss of the aircraft was completed in early February and was accepted by all parties as a fair and objective appraisal of what had gone wrong. The Inspector General concluded that

The requirement for coverage was clearly established.

There was clear-cut approval of the mission by USIB and the 303 Committee.

There was a high degree of urgency attached to completing the mission as soon as feasible.

The specific requirement on NPIC to make a search for SAM sites within a 50 mile radius of the target was not generated until 4 December 1964, and it applied only to photography received after the effective date of the requirement. There was no new photography available.

NPIC did not survey the flight track for the mission. It was not asked to do so, and the flight track was not made available to NPIC in advance of launch.

NPIC was not clearly and unmistakably asked for a current updating and survey of possible hazards to the mission.

NPIC has assigned an officer to conduct liaison with OSA, but his responsibilities are ill-defined and he is not generally used by either OSA or NPIC as a channel for levying requirements and making responses.

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The undue reliance on the dependability of NPIC reporting stems in part from NPIC's tendency to overstate its capabilities.

OSA's standing operating procedures for mission planning are detailed, are in writing, and are meticulously followed; however, there are gaps at both ends of the mission planning procedure: (1) in not referring specific flight tracts to NPIC for survey in advance of launch, and (2) in not notifying senior Agency officials of the complete details of the mission plan. 212/

The directed survey of NPIC was quite another matter, however. The last survey of the office had been completed only two and one-half years earlier, and the findings had been generally favorable. The Director of NPIC, Arthur Lundahl, interpreted McCone's order that the office be inspected as an indictment of his leadership of the Center. Lundahl and his Executive Director, Charles Camp, met separately with Earman to protest the fact of the survey being made. Lundahl was particularly incensed at having heard of the planned survey from DIA officers working in the Center, rather than from his own superior, the DD/I. 213/ The inspection team that Earman formed consisted of the two inspectors who had investigated the loss of the aircraft plus a borrowed officer,

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John Vance, who was then Director of Central Reference but had previously served on the Inspection Staff and had been team captain on the 1962 IG survey of NPIC. 214/

The survey got under way in February 1965 and was well along when Admiral Raborn replaced McCone as DCI in April. Raborn invited Earman to have lunch with him on his first day in office and to bring two inspectors to report on current surveys. Earman never had a chance to present his prepared briefing on the mission and functions of his office. When he mentioned that the intelligence community's capability for acquiring photography was growing at a far faster rate than was NPIC's capacity to interpret it, Raborn immediately proposed as a solution the automation of NPIC's readout resources. The survey team was convinced that NPIC was already far down the road on automation and that further progress had to await advances in the state of the art. At Raborn's direction, a team of outside consultants was brought in to review NPIC's use of computers. They, too, concluded that NPIC was well advanced in the computer field and that its storage and retrieval system might

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very well be the best of its kind anywhere in the world. Raborn was unconvinced and remained unconvinced until the end. 215/

In retrospect, the survey did accomplish a useful purpose. The Inspector General concluded that collection capability was being expanded and that requirements were being generated with insufficient regard for NPIC's processing capacity. His recommendations in that regard led to the creation of an interagency group to examine the whole field of photo interpretation within the Government and eventually to the establishment of a new USIB committee, COMIREX.

Another event of 1965 was to have a substantial impact on the progress of the inspection program. Earman asked Col. White, then DD/S, which of his components he would like to have inspected next. White replied that he would welcome surveys of any of his offices or functions at any time the Inspector General could undertake them but said that he believed more benefit might be realized with less expenditure of manpower from surveying areas or functions as opposed to surveying entire offices. He suggested

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these as possible areas for investigation: procure-
ment, industrial security, real property accountability,
EOD and exit processing, Agency regulatory processes,
travel administration, and records administration. 216/

Earman began surveys of each of these subjects
as inspectors became available. All of them were
completed with the exception of the survey of records
administration. That study was completed, but no
report was issued. It fell victim to the editorial
process. The initial draft was mainly the work of
inspector Michael Rura who had headed the study team.
The first draft still survives, and its findings and
conclusions stand up very well in the light of later
developments in records administration. It was a bit
wordy, however, and lacking in focus. It was rewritten
by Scott Breckinridge and then again by Ruth Gillard.
By the time that Gillard's draft was finished, the
data base had become so stale that most of the state-
ments of fact would have had to be rechecked for
accuracy. This, combined with the fact that the
conclusions and recommendations had been drastically
watered down, suggested that there was no point in
putting out a report. The effort was abandoned.

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The time spent on these functional surveys was probably worthwhile, but the effect was to cause a near standdown on the starting of new component surveys. Only three were completed in 1965 and two in 1966. Subsequent analysis of the reasons why the goal of a five-year inspection cycle was never achieved by either Kirkpatrick or Earman indicated that failure to make the needed starts was the principal difficulty. It is pertinent to note here that there is nothing "magic" about a five-year cycle, and there is no evidence of criticism of either Kirkpatrick or Earman for having failed to keep the cyclical program on schedule.

A survey of the Clandestine Service's Domestic Operations Division was under way during 1965. The report of survey, which was issued in August 1965, had this to say concerning the organizational subordination of DCS:

In June of 1962 the DDCI approved the proposal of the Working Group on Organization to transfer the former Contact Division, OO, from the DDI and assign it to the new DO Division in order to centralize in one place all Agency contacts with non-governmental U.S. organizations. Although this action was never formally rescinded, the proposed

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re-organization has not since been put into effect. We believe that the basis for the original decision is still valid, and that many of the objections which prevailed at the time are not now sufficient to justify indefinite delay. This suvey recommends reconsideration of the question at this time.

The recommendation proposed the establishment within the Plans Directorate of a Central Division consisting of DO Division, DCS, part of the FI Staff, and part of Operational Services.

The recommendation was still under serious consideration at the time of the Tofte incident. Hans Tofte was a career agent assigned to DO Division. He offered his house for rent. While examining the house, another Agency employee, who did now know that the owner was also an Agency employee, noticed a stack of classified documents in one of the rooms. He reported the discovery, and the documents were recovered in a way that caused embarrassment to the Agency. As a consequence of the Tofte affair Earman reported to the Director that he was withdrawing his recommendation that DCS be transferred to DD/P. The final straw, as far as Earman was concerned, was the finding in Tofte's safe of DO

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Division's copy of the 1965 IG report of survey of the Division. 217/

E. J. Applewhite returned to the Clandestine Service on 16 March 1966, and his place as Deputy Inspector General and Chief of the Inspection Staff was taken by S. Herman Horton, who had most recently served as [REDACTED] 218/

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Although only two component surveys were completed in 1966, 11 special studies were produced, two of which were of particular significance and were conducted in unusual ways. One was a study of the procurement systems of CIA, which was done under contract by [REDACTED]

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[REDACTED] Admiral Raborn knew of the firm's work from his prior association with the Polaris program and directed that the firm be hired. It was up to Earman to find the \$50,000 or so that the study would cost. Breckinridge, of the Inspection Staff, was assigned as coordinator of the effort. Two employees of the contracting firm were assigned space in the Inspector General's suite of offices and worked full time on the premises. They prepared the draft of the report, and CIA's Printing Services Division reproduced it. 219/

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The consultants were impressed with the quick results and relative economy of some of the Agency's larger R&D programs, but they found that the Agency was untidy in much that it did. Reporting on the progress of contracts, for example, left much to be desired. As the consultants began developing their proposals for change, it became obvious that they favored more centralized control of procurement authorities, somewhat along the lines of the Pentagon's procurement organization. Oddly enough, the consultants had once made a study of military procurement and had been critical of its degree of centralized control. As the writing progressed, Breckinridge pointed out that the consultants were arriving at recommendations that would not be acceptable. He had earlier discussed with Earman the approach that the consultants were taking, and Earman arranged for them to give Col. White an oral interim report -- probably in order to give Col. White a chance to set them straight. Col. White lectured the consultants on the conscious philosophy behind the Agency's procurement organization but to no avail. When Breckinridge later tried to discourage the consultants from taking a line that

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that was not acceptable, they simply screened him off from their writing.

When the consultants' report was distributed, the Agency's procurement people reacted forcefully and attacked it in detail. One issue that they concentrated on was the consultants' description of the planning for the Support Information Processing System. Bannerman himself took exception to the description. When Breckinridge briefed Bannerman on what the consultants had been told about SIPS planning, it became evident that the SIPS planners had not been telling Bannerman the things they told the consultants. Bannerman later reported to Breckinridge that he and his SIPS planners had arrived at a meeting of the minds.

Earman's tactic was to associate himself with the report, accepting the findings of fact but saying that some of the recommendations might not fit the Agency's traditional way of conducting its affairs. The Director of Logistics later called Breckinridge to josh him about the Inspector General's obvious fence-straddling. The procurement people were prepared to contest the report for its misstatements

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and factual inaccuracies. The DD/S chose, instead, to ignore the details of the report and to address himself to the main issues. In effect, he accepted the basic criticisms in principle but devised different solutions than those proposed by the consultants. 220/

The other unusual study was of foreign intelligence collection requirements. The Inspector General assigned inspector Dildine as team captain and borrowed Hugh Cunningham from ONE and Henry Lowenhaupt from OSI to work on the report. Cunningham played so prominent a role in the drafting of the final text that the survey has ever since been referred to as "The Cunningham Report." The thrust of the report was conveyed by its opening sentence: "CIA is collecting too much information -- more than it can use properly, probably far more than the Government needs." 221/

The idea of borrowing people to work on surveys was not new. Kirkpatrick had resorted to the practice extensively in his early years when the staff was small. Earman was so pleased with the outcome of the requirements study that he employed a somewhat similar technique the following year in a special

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study of Agency proprietaries. The proprietaries study was initiated as a consequence of DO Division's failure to follow through on changes it had agreed to in its response to the IG survey of the Division in 1965. Earman named Breckinridge as task force captain to lead a group consisting of representatives of Finance, Audit, and MPS. [REDACTED] a retired senior CS officer, was hired as a consultant to work on the study. Again, the product was excellent.

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[REDACTED] remained under contract to the Inspector General and headed an IG team in a survey of Soviet Bloc (SB) Division, which was not completed until after Earman left. Earman also hired another retired employee, Gates Lloyd, former Assistant DDS, to participate in a survey of the Office of Finance. Both left when those surveys were finished.

(b)(3)

In retrospect, the practice of borrowing people to work on surveys had more disadvantages than advantages. While it augmented available manpower, the outsiders were largely ignorant of Inspection Staff procedures, and the team captain had to devote an inordinate amount of time to guiding and counseling them.

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By 1967, the staff had recovered reasonably well from the impact of the 1965-66 series of special studies and had resumed work on the current cycle of component surveys. It also had recovered from the heavy rotation that occurred in 1965 and 1966. Nine of the inspectors that Earman had brought on board in 1962 and 1963 completed their tours and returned to their parent components. Only six replacements had entered on duty by the end of 1966. By the end of 1967, however, a full complement of 13 inspectors was on duty, and all but two of them were well experienced. Five component surveys and eight special studies were completed during the year.

A significant change in the role of the Inspector General occurred in 1967. The change reflected the difference in the approaches to the job taken by Earman and his predecessor. Kirkpatrick considered it his duty to be on the lookout for evidence of wrongdoing and to take the initiative in investigating. Earman felt that this was a responsibility of command, with his role being that of monitoring or of stepping in only if command were unwilling or unable to carry

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out its responsibility. The specific impetus for change came from a special study that Earman had made of the responsibility of the Inspector General in cases of shortages, losses, or misuse of official funds. The principal conclusion of that study was that the Inspector General should not have independent authority to undertake the investigation of charges or evidence of wrongdoing. 222/ Accordingly, Earman in April 1967 requested that , which set forth (b)(3) the mission and functions of the Inspector General, be revised to specify that the Inspector General would investigate indications of wrongdoing only upon direction of the DCI, the DDCI, or the Executive Director-Comptroller or upon request of the responsible Operating Official. 223/

Earman completed five years in office in May 1967. He took stock of his stewardship of the Agency's inspection program -- with disheartening results. Based on the goal of a five-year cycle, there were then ten components overdue for inspection representing an aggregate delinquency of 55 years. With the inspection manpower then available to him, he estimated that the best he could do would be to maintain a

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seven-year cycle. He discussed the problem with the Executive Director-Comptroller who agreed with Earman that a seven-year average interval between inspections was too long. Accordingly, Earman requested that the planned incumbency of Position No. 0091 be increased from eight to eleven, which would bring the staff back to the total of 13 inspectors that were authorized in 1964. The request was approved. 224/

Earman announced at his staff meeting on 9 November 1967 that he planned to retire upon reaching age 55 in March of the following year. 225/ His replacement, Gordon M. Stewart, began reading in to the job in mid-February and took over officially upon Earman's retirement at the end of March 1968. 226/

The one thing that most impressed the author as an observer of Earman's work was the degree of selflessness in Earman's approach to the job. He brought no loyalties nor obligations to the task, except for those owed to the Director and to the Agency as a whole, and he had no personal ambitions other than to be a good Inspector General. He refrained from inserting himself into matters that he thought properly a prerogative of command and insisted upon his inspectors doing

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likewise. He deliberately set about in the early portion of his tenure to improve the image of the role of the Inspector General within the Agency, most especially within the Clandestine Service. He was largely successful in this. In retrospect, Earman's single most important accomplishment as Inspector General was in gaining acceptance of the office elsewhere in the Agency.

The fact of his success in gaining acceptance of the office is evident, but the reasons for it are not. Adding the DD/P to the distribution of [] (b)(3) cables was a small step. Revising [] to deny the (b)(3) Inspector General the authority to take the initiative in investigating cases of possible wrong doing was a major step. Probably the most significant factor, however, was the attitude that Earman took toward his own role in his dealings with the other office heads. He consistently took the position that his goal was to be helpful to them and not to set himself up in an adversary capacity. Since he demonstrated by his actions that he meant what he said, they eventually came to believe him.

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Chapter VI

The Stewart Years, April 1968-December 1971

Gordon M. Stewart's career with the Agency began on 28 July 1943 when, as Captain Stewart, he joined the Office of Strategic Services and was assigned as Chief of the German Section of R&A, serving in Washington, London, and Germany. In October 1945 he became chief of the Steering Division of SI in Germany and served subsequently as Chief, SI from December 1945 until March 1947. His experience in OSS/SSU/CIG marked him as the logical choice for appointment as chief of the OSO Station in Germany, a position that he assumed in March 1947.

After nearly a decade of continuous service in Europe, Stewart returned to headquarters and became chief of the FI Staff in January 1954, a position that he was to occupy for the next three years. He was next assigned as Director of Personnel from January 1957 until June 1960. At that point he returned to the Clandestine Service and served as Chief, EE Division for the next two years. Although he had indicated

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some years earlier that he had no wish to become known as a German specialist, his long service in Germany made him the obvious choice as the next Chief of Station, Germany. He served there again from June 1962 until October 1966, when he returned to headquarters and was named to the Board of National Estimates. 227/ His last assignment with the Agency was as Inspector General beginning on 30 March 1968 and continuing until his retirement in December 1971. 228/

Stewart had a six or seven week overlap with his predecessor, spending the time reading case files and reports of survey and being briefed by the Deputy Directors and their principal subordinates.

Earman had occasionally met with his full staff when he had something of importance to announce or to discuss, but he did not have regularly scheduled staff meetings during his last few years in office. Stewart thought the staff would benefit from getting together regularly to report on work in progress. He first met with his full staff on 17 May 1968 and announced that staff meetings would be held every other week thereafter. 229/ Each inspector was invited to comment briefly on what he was doing, and then Stewart would

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report on items of general interest gleaned from the Director's morning meetings or from his other contacts. He also used the staff meetings as occasions for sharing with his staff his concepts or philosophies concerning the inspection function. In the early weeks he designated certain inspectors to research and to report in detail at a later staff meeting on topics of importance to the work of the office, but the practice was soon discontinued.

The author recalls a conversation with Stewart during Stewart's early weeks in office in which Stewart remarked that he had concluded that the staff was spending far too much time in digging for inconsequential details and in writing overly long and poorly focused reports. He said that the approach he favored would involve taking a sharp but relatively brief look at a component and then preparing a short, tightly written report. He felt that the stature of the office was such that the Deputy Directors and office heads would accept the Inspector General's findings on faith, thus making it necessary for IG reports to recite the detailed evidence upon which the conclusions and recommendations were based.

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Stewart expounded this philosophy at his staff meeting of 7 June 1968, which was largely devoted to a discussion of the writing and editing of reports. He said that he favored reports that were "shorter rather than longer;" otherwise, they could not be expected to command management's attention. If no problems of significance were found, the report of survey could be very short indeed. A longer report might be needed if there were an unpopular case to defend or if the report dealt with a complex subject. He saw no need for any fixed style, although he felt that the requirements survey, for example, was too discursive in its approach.*

He asked that drafts be prepared in greater length and in more detail than he would expect to publish. He thought this desirable in order to persuade him of the validity of the inspectors' conclusions and recommendations. He would then delete superfluous material when he was convinced that the inspectors were on solid ground. He also

* The Inspector General's report of survey of "Foreign Intelligence Collection Requirements," December 1966, which totaled 216 pages.

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suggested that it might be possible to furnish him the needed details in separate supporting papers. Stewart said that his deputy, Herman Horton, would follow the development of the survey and would be concerned primarily with content and comprehensiveness. Stewart himself would see to the editing and packaging. When he was satisfied with the final text, he would pass it to an inspector not involved in the survey for review by "a fresh pair of eyes." 230/

There were five component surveys in progress when Stewart took over as Inspector General: Office of Medical Services, Foreign Broadcast Information Service, Soviet Bloc Division, Office of Communications, and Office of ELINT. Since he envisioned that the short, pithy reports he preferred would require that terms of reference be carefully drawn before beginning the surveys, he allowed the surveys already under way to continue to completion as originally conceived. He inaugurated his new approach with the first three surveys that were begun after he took office: Foreign Missile and Space Analysis Center, Office of Current Intelligence, and Foreign Intelligence Staff. The reports of survey of FMSAC

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and of OCI were completed and forwarded in December 1968. Both were short and both contained recommendations for major change. The OCI report, for example, recommended the elimination of one entire echelon of command within the Office. The DD/I nonconcurred in the major recommendations relating to OCI, and the DD/S&T did the same on the FMSAC report. This put Stewart in the awkward position of having to come forward with additional evidence in support of the recommendations, which he had not thought necessary to include in the reports.

The concept of the short report to be taken on faith finally collapsed entirely in March 1969 as a consequence of the Inspector General's report of investigation of charges of mismanagement of

[redacted] a CA Staff project operating in

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[redacted] Stewart referred to the [redacted] report and the problems it caused in his staff meeting of 12 March 1969. A short report had been forwarded to the CA Staff through the Executive Director and the DD/P. The headquarters case officer for the project came back with a "hot-eyed blast" charging that the report was not documented, that unsupported

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statements were made in it, and that those responsible for the project were being condemned without evidence of their being at fault. Stewart said he had had to concede that the critical judgments in the [] report were not adequately supported by the evidence presented in the report. He announced to his staff that thenceforth reports would be written to include all documentation or argumentation required to back the statements made in the reports. 231/

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The first draft of the report of survey of the FI Staff reached Stewart for review soon after his experiences with the responses on OCI, FMSAC, and

[] He demonstrated the completeness of his about-face on the matter of report length by directing the survey team to spend another several weeks gathering additional evidence in support of its findings and to give him a new draft in appreciably greater detail.

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Stewart's introduction to the investigative aspect of his job came within a week of his assuming office, and it was a thunderbolt. Samuel A. Adams, a DD/I analyst who specialized on the war in Vietnam, walked in on the morning of 1 April 1968 and asked

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to see the Inspector General. He was referred to [redacted] an inspector. Adams charged the Agency (b)(3) with responsibility for an intelligence failure in Vietnam, which he attributed to "long-standing mismanagement of CIA's research effort." He suggested that because we had failed to devote enough effort to basic research on the Viet Cong, especially on captured documents, policy-makers may have made wrong decisions on the basis of inaccurate intelligence. He had much earlier decided that he would take this case to the Inspector General and ultimately to the White House when the administration changed. President Johnson's announcement on 31 March that he would not be a candidate for re-election in the fall caused Adams to decide that the time was ripe for him to file his charges.

[redacted] reported the interview to the Inspector (b)(3) General, and Stewart reported the charges to Col. White who asked that Stewart see Adams himself, which Stewart did on 3 April. Adams told Stewart that he held the Director and the DD/I personally responsible for these intelligence failures. Adams offered to submit his charges in writing, and Stewart

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accepted the offer. The written charges were received on 27 May in a memorandum of that date. Adams requested that copies of his memorandum be forwarded to the White House Staff, to the President's Foreign Intelligence Advisory Board, to the Director, and to the DD/I and that Adams be informed in writing when this had been done. He asked for an IG investigation. He also asked that he be provided with a modest amount of storage space for the safekeeping of documentary materials he had been collecting over the previous two years in support of his charges.

Stewart sent copies of Adams' charges to the Executive Director and to the DD/I and met with them on 28 May to discuss the approach to the case. Col. White said that he would brief the Director and would recommend to him that Breckinridge and Greer be assigned to make the investigation. He also would propose that [REDACTED], a former Chief of Station, Saigon, and then chief of DO Division, be added to the team as a consultant. The Director approved this arrangement. After a series of preliminary internal meetings and the drawing up of terms of reference for the investigation, Stewart and the

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team met with Adams on 5 June. Stewart told Adams that his charges would be investigated, that storage space would be provided for his documents, and that copies of Adams' memorandum had been sent to the Director and to the DD/I. Decision on sending copies of the complaint to the White House and to the PFIAB would be deferred until the Inspector General's investigation had been completed. Stewart warned Adams that his charges were considered to be an internal matter and that it would be a great mistake for Adams himself to take them outside the Agency.

The investigation opened with nine and one-half hours of interviews with Adams, which were devoted to a detailed oral presentation by him of his case for a much higher over-all strength figure for the Viet Cong than the U.S. Military was willing to accept. Adams felt that MACV's order of battle on the Main Force elements was reasonably accurate but that the size of the irregular (or guerrilla) Viet Cong forces had been consistently and seriously underestimated.

The investigative team had completed its information gathering and had begun writing its report by mid-July. This was at a time when Stewart was still

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bent on turning out short reports. The report was nearing completion at the end of the month when Stewart discovered that his notion of what constituted a short report differed from that of Breckinridge and Greer. They were heading toward a draft of some 75 to 80 pages. He directed that the effort then under way be abandoned and that a new draft be prepared that would run to no more than 12-15 pages. The final report, which was forwarded on 1 August, totaled 17 pages.

The principal finding of the IG investigation was that

We could have put more people on VC research sooner, but we question whether it can fairly be said that we should have. In retrospect, there might have been something to be gained from putting more people on it earlier, but it is our judgment that the results would not have been different from those we already obtained. However ... we do not have a satisfactory answer to the question of why we did battle on the strength figures at such high levels of government on the basis of a questionable case, most of which was developed by one part-time researcher.

Stewart began three weeks of annual leave on 5 August, leaving his deputy, Herman Horton, in charge. The Director informed Horton on 14 August that he had

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read the Inspector General's report on Adams' complaint. He said that in view of the fact that very serious charges of irresponsibility on the part of management had been made, including calling his own role into question, he had decided to appoint a board of review of the most senior officials of CIA to examine the charges and the IG report and to recommend to him an appropriate course of action. Admiral Rufus Taylor, Deputy Director of Central Intelligence, was designated chairman. Members were John Bross, Deputy to the DCI for National Intelligence Programs Evaluation, and Lawrence Houston, General Counsel.

Horton mentioned to Admiral Taylor that a much more detailed report of investigation existed in nearly completed draft form. Taylor said that he thought it would be helpful for the members of the board of review to read the more comprehensive report. It was completed and was forwarded on 4 September labeled as a background paper and not to be considered as an official IG submission.

The board of review submitted its report to the Director on 4 November. The board found no reason to disagree with the essential finding of the Inspector

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General that the manpower allocated to basic research was about as much as the problem could justify through 1966. The board did feel, however, that there was some basis for Adams' criticism of lethargy in expanding the effort, since there was considerable delay throughout 1967 in increasing the research effort on the additional documentary material then becoming available.

While the board of review was examining the case, Adams sought and was granted two meetings with Colonel White and one with Admiral Taylor to discuss the mechanics of taking his complaint to the White House. He also sought legal advice on the same matter from the General Counsel. The Director met with Adams after reading the report of the board of review. He invited Adams to submit a paper outlining his organizational criticisms and his recommendations for improvement. He also told Adams that he would arrange for Adams to meet with the Chairman of the PFIAB, General Maxwell Taylor.

The original charges that Adams submitted to the Inspector General in his memorandum of 27 May related solely to the management of the research effort on Vietnam. However, when he met with the

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Director in early November, he expanded his charges to include the operational side. The Director met on 14 November with White, Bross, Karamessines, R. J. Smith, Carver, and Stewart to discuss the short-range handling of the Adams complaints. He wanted to make sure that those Agency officials responsible for the activities of which Adams was critical gave Adams an opportunity to make his charges to them in person and they in turn to discuss the charges with Adams. As a consequence, Karamessines and [redacted]

[redacted] Chief, Far East Division, met jointly with Adams as did Smith and Carver.

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All of the reports and several of the memorandums relating to the Adams case were delivered to the PFIAB in mid-November, and Stewart and Greer briefed General Taylor, General Cassidy, and Patrick Coyne on the details. It was the Director's hope that General Taylor would be willing to meet with Adams as an *amicus curiae* rather than in his role as Chairmen of the PFIAB. Admiral Taylor met with the members of the Board on 25 November, and the Director met with them on 26 November. General Taylor felt that, if he approached Adams at all, it would have to be in his

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official role. All of the Board members were dubious about taking any step that might lead to the Board becoming known as a sort of wailing wall for malcontents in the intelligence community. Accordingly, the Board accepted General Taylor's suggestion that Pat Coyne meet with Adams, tell him that the Board had been briefed on his case, and to inform him that the Board felt that he had already had his day in court.

Coyne met with Adams as directed on 3 December and reported the above to him. Coyne also invited Adams to submit to him in writing for Board consideration any suggestions he might have for improvement in the intelligence effort. Coyne later reported that when he told General Taylor of his meeting with Adams they agreed that, if Adams inquired as to the action taken by the Board on his recommendations, the reply would be that the Board reports only to the President.

The suggestions for reform that Adams had been invited to submit both by the Director and by the PFIAB appeared in a long memorandum dated 24 January 1969. He called for a board of inquiry, asked permission to send a copy of the memorandum to the PFIAB, and requested that he be allowed to take his charges

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to Dr. Kissinger. The Director gave Adams' new memorandum to Admiral Taylor for review. He found it to be a re-hash of the old charges. He forwarded a memorandum to Adams on 31 January informing him that his recommendations would be considered by John Bross and suggesting that further attempts to ventilate his charges would serve no useful purpose. The final paragraph of Admiral Taylor's memorandum to Adams reads as follows:

In conclusion, I suggest to you that if you cannot abide the decision implicit in the above, you cannot continue to consider yourself a helpful member of the intelligence team here in CIA and should, therefore, submit your resignation.

Adams had been invited to read the short, official IG report on his complaints, which he did in Stewart's office in late November 1968. His request that he be allowed to take notes was refused. He subsequently wrote to the Inspector General asking for an opportunity to prepare a written critique of it. That request also was refused.

Adams chose not to resign. He was still with the Agency in October 1972, although he had been in career difficulties since about mid-1969 resulting

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from his lack of production. The case file, which occupies a full safe drawer, has been preserved intact in anticipation of its one day being revived. 232/

The Adams case was the attention-getter during 1968, but steady progress was made on the inspection program. Seven component surveys were completed during the year (FI/D, OMS, FBIS, SB, OC, FMSAC, and OCI), and two others (CA Staff and CI Staff) were in progress at the end of the year. Stewart himself did a special study for the Director on morale in the Clandestine Service, which was completed in November. He reported in his five-page report that

There is a morale problem among members of the Clandestine Services but this doesn't mean that poor morale is general Morale for the most part is an individual thing. In both groups, the older and the younger, there is a preponderate number of men who are optimistic about themselves or who, although not optimistic, have accepted their fate and carry on in good spirit Intermingled with this group are men who share the same experiences, have about the same mental equipment and prospects, but who can't keep their spirits up. All sorts of personal and professional considerations combine to make for good individual morale, and for this reason it can hardly be considered as a simple infectious condition. 233/

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The rate of production of surveys was slightly higher than in the previous year, but Stewart was disappointed with it. The year had begun with 12 experienced inspectors on board. Since only two of them left during the period, there were 11.83 man-years of inspector time available on the staff. Greer and Breckinridge were team captains of surveys in progress at the time the Adams case broke, and they were off their surveys for the six months that it took to complete the Adams case, but there were no other serious disruptions of the survey program. No inspectors were involved in the making of special studies, and this had not happened since 1963. Unless Stewart could somehow improve on the 1968 production rate, the duration of the component survey cycle would run closer to seven years than to the five years he was determined to achieve.*

Stewart continued his predecessor's practice of submitting an annual report to the Director. The report actually consisted of two reports. One of

* Stewart continued to play tennis with some members of the staff after his retirement. He remarked to an inspector with whom he was playing in September 1972 that he had finally given up on this.

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them summarized the work completed during the year and listed the components scheduled for survey during the following year. The Director's acceptance of the report constituted approval of the inspection program contemplated for the next year, although he occasionally made some changes in it. The other report was a summary of findings from the year's returnee interview program. When the Director received the returnee interview report for 1968, he remarked that he thought that the program was highly useful and wanted it continued but that it completely missed the large number of employees permanently assigned to Headquarters. He asked if it would be possible to devise a means of testing the temperature of the water among those who never go overseas. 234/

This request led to a new program commonly referred to on the staff as HIP (for Headquarters Interview Program). Ruth Gillard was placed in charge of the HIP, since she was already monitoring the Returnee Interview Program. The first thing requiring decision was the type and size of the sample of employees chosen for interview. After discussion in the staff of various ways of choosing the sample, it was decided

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to confine the interviews to those employees who had entered on duty in 1961. There were two main reasons for this choice: first, the names and offices of assignment could be taken from a machine listing, and, second, it was felt that an employee with eight years of service would have some well formed thoughts about the Agency as a place in which to work. Gillard obtained the machine run of employees who entered on duty in 1961 and were still with the Agency. She parceled the list out among the several inspectors for interviewing. The results were assembled in a summary report, which was forwarded on 8 January 1970. The interviews disclosed no unexpected weaknesses in our system and found no area in which there was significant trouble. The subject that was talked about most frequently and negatively was personnel management. 235/

After the exercise was finished, the staff conducted a post mortem of it. It was agreed that, if the exercise were to be repeated, there was need for finding a new way of choosing the sample of employees to be interviewed. There were 203 people on the 1969 list, but only slightly over half of them were interviewed.

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For one thing, the machine listing turned out to be based on service computation date rather than entrance on duty date, and many of them did not have eight years of service with the Agency. For another, many of them were no longer available for interview. Some had gone overseas, some had resigned, and several were on leave without pay (usually maternity leave). Furthermore, the sample was badly skewed by grade; of the total of 203, 127 were in grade GS-10 or below and included a preponderance of clerical and administrative personnel. 236/

All of the special studies that were completed during Earman's years in office were made by members of the Staff. The study that Stewart made of Clandestine Service morale in the fall of 1968 was the first done by the Inspector General himself since the early Kirkpatrick years. It established a pattern that was to be continued until Stewart's retirement. The Director asked Stewart in January 1969 to look into the problems arising from employing married couples in the Agency. Stewart submitted his four and one-half page report in March. He concluded that, from the Agency's point of view, there are certain advantages in employing wives.

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Nonetheless, there are circumstances in which employed wives create problems. The wives of some senior officers have been known to trade on their husband's rank Most of the problems we have with couples are related to rank. The more senior the husband, the less inclined line management will be to treat the wife just like any other person.

His principal recommendations were (1) that the Agency not employ the spouse of any officer who is in grade 14 or above, (2) that the Agency not allow both husband and wife to pursue professional careers within the Agency, and (3) that [] be revised to (b)(3) withdraw annual leave from the benefits accorded contract wives. 237/

Stewart found himself in a dilemma in regard to the recommendation on denying annual leave to contract wives. He felt quite strongly that the advantages enjoyed by a working wife overseas were so many that it was preposterous to include annual leave as a benefit. The report of survey of OEL was completed in February 1969 while Stewart was still working on his study of the employment of married couples. The OEL report of survey struck very hard at the policy of [] denying sick and annual leave to contract employee wives []

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[redacted] pointing out that, as a matter of law, sick and annual leave benefits had to be granted to contract employees working regularly scheduled tours of duty. Stewart and the OEL team captain argued the matter at length. Stewart finally approved the OEL report, including the recommendation that annual leave be granted to contract employees; yet, he made a contrary recommendation in his own report issued a month later.

(b)(1)
(b)(3)

Upon receiving Stewart's report on married couples, the Director then asked Stewart to look into "the whole matter of systems analysis." Most of Stewart's time from then until October when his report was finished was occupied probing into the functioning of the Planning, Programming, and Budgeting System. He concluded that

PPBS as a body of management doctrine and a system of resource control has much to offer CIA. The Agency in turn has made an intelligent and pragmatic application of the system to its work. In doing so, it has followed a middle course between that advocated by the enthusiastic young management experts and systems analysts assigned to OPPB and that supported by those who regard the system skeptically.

The principal benefit PPBS has brought to the Agency is a broader appreciation of the value of questioning the rationale

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behind projects, programs, and activities.
.... In sum, this study concludes on a positive note because the record thus far has been a good one and the Agency appears to be moving in the right direction. 238/

Stewart's deputy, Herman Horton, was selected to be the next [redacted] As his replacement, Stewart chose Kenneth Greer who had been working on the staff as an inspector since June 1962. 12 April 1969 was the effective date of Greer's assignment as deputy. 239/

The production record for 1969 was slightly improved over that in 1968. Seven component surveys were completed -- the same as in 1968 -- but eight special studies were made, compared with only one the previous year. Some of the special studies were relatively minor, but three of them -- [redacted] PPBS, and Control of Firearms -- were quite massive efforts. Of perhaps more significance to the production record was the fact that, in addition to the seven component surveys completed, five were in progress at year's end with four of them well along toward completion.

The preceding chapter on the Earman years referred to a special study on records administration, which was

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completed but was never published. In January 1970, the Director asked Stewart to have a substantial survey make on information flow, dissemination of information, and use of computers in information storage and retrieval. Scott Breckinridge and [] (b)(3) [] were assigned to do it, but Breckinridge was never really freed to work on it. Most of the information gathering and the writing of the report fell to [] (b)(3) The report was commonly referred to as "The Information Explosion Report," although its actual title was "Information Management in the Agency." The draft report was completed in March 1971 and was distributed to various components in the Agency for comment. The DD/I was so critical of those portions pertaining to his responsibilities that Stewart decided to postpone formal publication of the report until the survey of the Central Reference Service, which was about to begin, was completed. The "Information Explosion" report was never published.

Until 1970, the volume and nature of complaints, grievances, and appeals reaching the Inspection Staff for action varied relatively little. During calendar years 1968 and 1969, the staff handled six appeals to

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the Director for designation to the CIA Retirement and Disability System (CIARDS) after having been turned down by the CIA Retirement Board and the Director of Personnel. The number of CIARDS appeals jumped to 12 in 1970.

Two developments accounted for the dramatic increase. The legislation authorizing CIARDS provided that a maximum of 400 employees could retire during the first five years of operation of the system and another 400 during the second five years. The first five years of operation ended on 30 June 1969. Projections made early in 1968 disclosed that only about 350 would retire during the first five years. This meant that there would be some unused "quota." Accordingly, the Executive Director-Comptroller approved a proposal by the Director of Personnel for a less rigid definition of qualifying service in order to allow employees to retire who would not otherwise have qualified for designation to the System.

When the second five years of operation began on 1 July 1969, the Retirement Board reverted to its former strict standards for designation to the System. Most of those who appealed during 1970 cited as precedent

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cases known to them of employees who failed to meet the technical requirements for designation but were admitted to the system under the relaxed standards that prevailed during fiscal year 1969. The other development that triggered a flood of retirement applications and a spate of appeals from nondesignation to CIARDS was the 5.6 percent cost of living increase for those on the retirement roles as of 1 August 1970.

Each of these appeals was considered carefully, and two of them were researched in massive detail. These two involved a claim for the crediting of domestic qualifying service performed in support of operations. 240/ The Director accepted the Inspector General's recommendation that the two appeals be denied, thus establishing a precedent for handling future such appeals. Of the 12 appeals received during the year, the Inspector General supported and the Director granted only two. 241/

A charge of religious discrimination led to a most unusual investigation in August 1970. An Army enlisted man who had been an MP at charged that he had been relieved of his assignment for his

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religious activities [redacted] The charges were (b)(1)
in the form of a letter from the lad's father to his (b)(3)
Congressman. The Congressman forwarded the letter
to the Inspector General of the Army for investigation
and report. As a consequence, the Agency invited
the Army's Inspector General to send an inspector to (b)(1)
(b)(3)

[redacted] to conduct an investigation. CIA's Inspector (b)(1)
General sent one of his inspectors to [redacted] to (b)(3)
assist the Army inspector and to make a parallel,
independent investigation. The two inspectors met
frequently and compared their findings. The Army
Inspector General concluded that the charge was without
foundation. CIA's Inspector General concluded that

[redacted] had acted decently (b)(1)
(b)(3)
and humanely but that, in trying to correct a most
troublesome situation, he had left himself open to
the charge of religious discrimination. 242/

A survey of AF Division was in progress in the/ (b)(3)
fall of 1970. [redacted] and [redacted] (b)(3)
were the regular members of the team, with [redacted] (b)(3)
assigned as team captain. [redacted] and [redacted] (b)(3)

[redacted] were added to the team for the field portion of (b)(3)
the survey in order to reduce the time spent in

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traveling. Working out an air travel schedule covering all of the posts in Africa is extremely difficult. The inspectors were preparing to leave on 8 September in expectation that many reservations would have to be made on the scene. The first hitch occurred on 6 September when Palestinian guerrillas hijacked three commercial jetliners in the Middle East. There was an immediate standdown on all nonessential overseas travel by Agency personnel. After much agonizing at the highest levels, it was finally decided that the inspectors could travel as planned but on the understanding that the trip might be aborted abruptly if circumstances dictated it. It was a hectic trip marked by cancelled flights, directives from Headquarters to change itineraries, and worried wives at home. [redacted] had the most trouble. He was scheduled to visit [redacted] to [redacted] check on AF operations there. After arriving in Europe, he was ordered [redacted] [redacted] to avoid flights from Rome to Africa that transited either Beirut or Cairo. The trip was completed roughly on schedule and to the relief of all concerned. [redacted]

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(b)(3)

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chose not to reveal until he returned to Headquarters that his supposedly nonstop flight from Rome to

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[redacted] had made an unscheduled stop in Cairo.

(b)(1)

(b)(3)

Five component surveys and four special studies were completed in 1970. In addition, four component surveys were in progress and within four or five months of completion at year's end.

The first quarter of 1971 was devoted to completing the four component surveys carried over from 1970 and launching four new ones. By the end of April, only one of the carry-over surveys remained to be finished, and Stewart had given that to Greer to rewrite. On 28 April, the CIA Historical Officer asked Stewart if he would be willing to write the history of the Dulles-Wisner period of the Office of the DD/P. Stewart began assembling materials and familiarizing himself with them in preparation for beginning the actual writing. 243/

On 2 June, the Director asked Stewart to make a study of the Agency's foreign intelligence liaison activities. 244/ The impetus for the study came from the Director's concern [redacted]

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(b)(3)

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(b)(3)

Accordingly,

Stewart withdrew from his commitment to write a portion of the DD/P history and devoted full time to the liaison study. He was assigned by Greer.

The major component survey of the year, which eventually involved all of the inspectors, was that of the Far East Division. Breckinridge was assigned as team captain with Gillard and [] as full- (b)(3) time team members. The field portion of the survey

was divided into three segments requiring three separate trips to the Far East. The three regular team members made all three trips. The first phase (b)(1) covered [] and the regular team was (b)(3) (b)(1) (b)(3) supplemented by adding Bishop, [] and (b)(3)

[] The survey report on the first phase (b)(3) was submitted on 30 July. The second trip covered (b)(1) [] with the regular team (b)(3) (b)(1) (b)(3) being supplemented by Bishop and [] The team (b)(3) returned to Headquarters and prepared a draft but not

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a final report. The team then went [] and
was supplemented by [], Bavis, and [] 245/

(b)(1)

(b)(3)

(b)(3)

Stewart met with Col. White in July to discuss
his leave plans and to propose that he be allowed
to participate in the two final phases of the FE
survey by visiting []

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(b)(3)

He contemplated a trip of about six weeks duration,

(b)(1)

(b)(3)

[] and taking his wife
with him at his expense. The Director approved the
trip on the understanding that Stewart would complete
the liaison study and the editing of the final report
of survey of FE Division prior to his retirement in
December 1971. 246/

Stewart was away on his trip from 6 September
through 15 October, precisely six weeks. The liaison
study remained largely dormant during his absence.
He and Greer had completed most of the internal infor-
mation gathering before his departure. He had requested
written contributions from NSA and DIA, and they were
in preparation during his absence. His final two months
were spent in putting the final touches on the liaison
report and in editing the FE report. The liaison study

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ran to 60 pages plus annexes, far longer than Stewart's other special studies. These are the more significant of the conclusions:

Our examination of foreign liaison proved in general to be a reassuring one. The Agency is controlling costs both in money and manpower. It views the benefits derived from liaison realistically and is making a serious effort to achieve a low profile in those areas where conspicuous operations are likely to boomerang.

Those officers who are closest to liaison have a good understanding of what it may be able to do in the future.

(b)(1)
(b)(3)

It would seem to us to be logical first to work out the means for a greater degree of coordination of liaison planning here in Washington; then attention can be directed toward similar overseas coordination.

The main weight of responsibility for coordinating liaison planning should be transferred from the field to headquarters.

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If coordination of liaison activities can begin at the planning stage and if channels of communication between the CIA directorates and within the community can be opened, it should be possible to work out an intelligence liaison strategy for each important area and then to carry it through. This, to us, is the way the community should meet its liaison responsibilities. 247/

Stewart completed all of the work to which he was committed with the exception of the final chapter of the FE report, which had not yet been written at the time of his departure. When it was completed, it was taken to his home for him to review there.

The one characteristic of Stewart that those who served with him on the Inspection Staff will remember longest was his unpredictability. None of his staff was ever able to anticipate with any confidence what his reaction might be to a recommendation or proposal reaching him for endorsement. He was quick to decide -- often on the basis of insufficient evidence -- and just as quick to change his mind when it became apparent to him that his earlier decision was wrong. He was above all else a decent and honorable man but one with a rather prickly disposition. He once ordered from the office a quite senior officer who

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he thought was spending too much time visiting with one of his inspectors.

There were few other officials in the Agency with as diverse a career record as his, and he often drew on his own experience in editing the report of his inspectors. It was not unusual for him to discard an entire chapter and substitute his own thoughts and language. He was repeatedly called upon by the Director to make personal special studies of matters of concern to the Director. These requests were addressed to him not as the Inspector General but as Gordon Stewart, a man whom the Director knew well and in whose judgment he placed confidence.

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Appendix A

Personnel RosterInspectors General

Stuart Hedden	1 January 1952-19 January 1953
Willard Galbraith (acting)	20 January 1953-31 March 1953
Lyman Kirkpatrick	1 April 1953-5 December 1961
David McLean (acting)	6 December 1961-1 May 1962
John Earman	2 May 1962-29 March 1968
Gordon Stewart	30 March 1968-16 December 1971

Deputy Inspectors General/Chiefs of Inspection Staff

Herman Heggen	1 March 1957-3 September 1961
David McLean	4 September 1961-26 March 1963
Edgar Applewhite	27 March 1963-9 April 1966
Herman Horton	10 April 1966-11 April 1969
Kenneth Greer	27 April 1969-

Assistants to Inspector General/Inspectors

Willard Galbraith	April 1952-May 1955
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John Blake	August 1953-December 1955
Paul Eckel	May 1954-July 1957
John Routh	July 1954-October 1955
Richard Drain	August 1954-May 1955 January 1956-March 1957 August-November 1957
Herman Heggen	August 1954-March 1957*
Howard Osborn	January 1955-April 1956
Wallace Deuel	May 1955-December 1958
George Horkan	February 1956-December 1959
Donald Dunford	February 1956-July 1963
Turner Smith	May 1956-August 1958
Roy Tod	December 1956-July 1957
	June 1957-June 1961 (b)(3)
	September 1957-April 1958 (b)(3)
	December 1957-June 1960 (b)(3)
Robert Shea	January 1959-October 1960 May 1961-March 1962
Thomas Abernathy	January 1959-July 1962
David McLean	February 1959-September 1961*
Robert Shaffer	September 1959-December 1961
John Vance	January 1960-July 1963 August 1970-May 1971

* Reassigned as Deputy Inspector General or Chief of Inspection Staff.

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William Dildine	January 1960-January 1963 December 1965-May 1968
William Edwards	July 1960-June 1961
Euan Davis	September 1960-April 1963
Claire Dees	October 1960-November 1962
<div></div>	March-September 1962 (b)(3) August 1969-
Whitney Dodge	May 1962-January 1963
Frank Chapin	May 1962-September 1966
Vincent Lockhart	July 1962-September 1965
Kenneth Greer	July 1962-March 1968*
Edgar Applewhite	August 1962-March 1963*
Scott Breckinridge	September 1962-
Richard Mallett	September 1962-August 1966
Robert Bouchard	December 1962-July 1965
Goshen Zogby	February 1963-July 1964
Emmons Brown	May 1963-July 1967
William Watts	June 1963-April 1965
Michael Rura	July 1963-September 1965
John Oliver	September 1963-September 1965
Rodham Kenner	December 1963-June 1969
<div></div>	July 1964-March 1970 (b)(3)

* Reassigned as Deputy Inspector General or Chief of Inspection Staff.

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Erich Isenstead

December 1964-September 1966

September 1965-February 1970 (b)(3)

Davis Powell

May 1966-May 1968

August 1966-June 1969 (b)(3)

Ruth Gillard

September 1966-

Thomas Lawler

May 1967-November 1969

Robert Singel

September 1967-October 1969

October 1967-August 1969 (b)(3)

John Glennon

April 1968-July 1970

November 1968- (b)(3)

December 1968- (b)(3)

Frank Bishop

April 1969-

July 1969-November 1971 (b)(3)

September 1969- (b)(3)

Thomas Holmes

December 1969-November 1971

Robert Voskuil

June 1970-December 1971

July 1970- (b)(3)

William Bavis

January-March 1971
September 1971-

November 1971- (b)(3)

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Appendix B

Component Surveys

<u>Component</u>	<u>Date Completed</u>
Office of Scientific Intelligence	February 1952
Office of Personnel	November 1953
Office of Current Intelligence	March 1954
Office of National Estimates	April 1954
Office of Training	April 1954
Office of Research and Reports	June 1954
Office of Security	July 1954
Office of the Comptroller	October 1954
Office of Scientific Intelligence	December 1954
Office of Logistics	January 1955
Medical Staff	April 1955
Eastern Europe Division	May 1955
Audit Staff	June 1955
[REDACTED]	July 1955 (b)(3)
[REDACTED]	July 1955 (b)(3)
Southern Europe Division	October 1955
Foreign Documents Division	November 1955
Office of Communications	January 1956

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Foreign Broadcast Information Division	February 1956
Office of Central Reference	April 1956
Contact Division	April 1956
Office of the Assistant Director, Office of Operations	May 1956
Soviet Russia Division	June 1956
Office of the Deputy Director (Support)	July 1956
Office of the General Counsel	
Management Staff	
Planning and Program Coordination Staff	October 1956
Western Hemisphere Division	December 1956
International Organizations Division	March 1957
Technical Services Staff	April 1957
Near East and Africa Division	July 1957
Western Europe Division	February 1958
Office of the Deputy Director (Intelligence)	April 1958
Office of Basic Intelligence	May 1958
Far East Division	June 1958
Foreign Intelligence Staff	February 1959
Counterintelligence Staff*	April 1959
Office of the Deputy Director (Plans)	July 1959

* Report of survey not published.

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Records Integration Division	July 1959	
Assessment and Evaluation Staff	July 1959	
Office of Personnel	December 1959	
Near East Division	April 1960	
CIA Training Program	August 1960	
Office of Security	December 1960	
[REDACTED]	March 1961	(b)(3)
[REDACTED] Africa Division	May 1961	(b)(3)
Field Stations of Western Europe Division	June 1961	
Office of Logistics	June 1961	
Western Hemisphere Division	December 1961	
Air Activities of CIA	February 1962	
[REDACTED]	July 1962	(b)(3)
National Photographic Interpretation Center	July 1962	
Office of National Estimates	September 1962	
Near East Division	November 1962	
Africa Division	February 1963	
Eastern Europe Division	April 1963	
Office of Central Reference	September 1963	
Technical Services Division	October 1963	
Cable Secretariat	December 1963	
Far East Division	January 1964	

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Office of Personnel	May 1964	
Office of Research and Reports	June 1964	
Office of Scientific Intelligence	August 1964	
Western Hemisphere Division	December 1964	
Special Operations Division	April 1965	
National Photographic Interpretation Center	June 1965	
Domestic Operations Division	August 1965	
Western Europe Division	August 1966	
Printing Services Division	September 1966	
Office of Security	June 1967	
<div></div>	July 1967	(b)(1) (b)(3)
Office of Finance	November 1967	
Office of Training	November 1967	
Domestic Contact Service	December 1967	
<div></div>	May 1968	(b)(3)
Office of Medical Services	July 1968	
Foreign Broadcast Information Service	August 1968	
Soviet Bloc Division	October 1968	
Office of Communications	November 1968	
Foreign Missile and Space Analysis Center	December 1968	
Office of Current Intelligence	December 1968	
Office of ELINT	February 1969	

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Special Intelligence Staff	March 1969	
Foreign Intelligence Staff	May 1969	
Counterintelligence Staff	July 1969	
<div></div>	July 1969	(b)(1) (b)(3)
Office of Logistics	August 1969	
Near East and South Asia Division	November 1969	
Office of Basic and Geographic Intelligence	March 1970	
Office of Computer Services	April 1970	
<div></div>	May 1970	(b)(3)
Office of Special Projects	June 1970	
Operational Services	November 1970	
Special Operations Division	April 1971	
Africa Division	April 1971	
Office of Personnel	April 1971	
Technical Services Division	May 1971	
Far East Division - Phase I	July 1971	
Office of Scientific Intelligence	September 1971	
Domestic Operations Division	September 1971	

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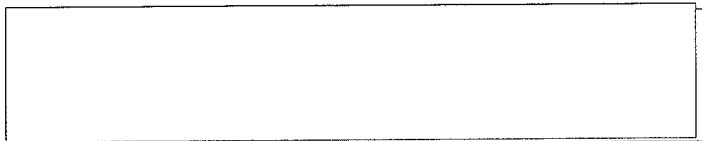
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Appendix C

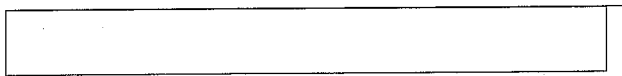
Special Studies and Surveys of Functions1952

Security Briefings

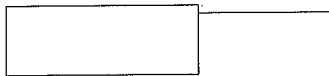
Documentation

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(b)(3)1954

Reduction in Cable Traffic

(b)(1)
(b)(3)

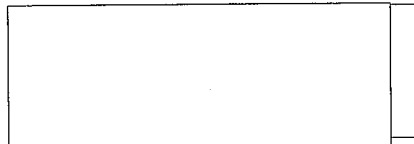
CIA-State Department Relations

(b)(1)
(b)(3)1955

Raw Information

Board of Consultants

Clandestine Services Staff Reorganization

(b)(1)
(b)(3)1956

Termination of Agency Employees

Returnee Program

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CIA Regulations

Junior Officer Trainee Program

CIA Briefing and Debriefing System

ELINT Program

News Highlights

TDY Foreign Travel by Headquarters Personnel During FY 1956

Instructions to Chiefs of Station

Cover Facilities

Conditions in Payroll Branch

Handling of State Department Sensitive Cables

Handling of Clandestine Services Pouched Information Reports

1957

CIA: Principal Weaknesses and Suggestions for Improvement

Analysis of Agency Methods for Handling Personnel
Security Cases

The Brentano Embezzlements

Relief of Employees at Hardship Posts

Publications Survey

Co-ordination of Clandestine Collection

Handling of Cash

1958



(b)(3)

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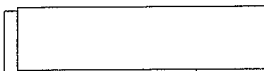
Georgetown Machine Translation Project

Conflict of Interest

Career Service Program

Library Procurement Procedures

Safehouses

1960

(b)(1)

(b)(3)

Headquarters Courier System

1961

Implementation of Intelligence Directives

OCR Minicard Project

Senior Research Staff on International Communism

The Cuban Operation

Deficiencies in the Defector Program



(b)(1)

(b)(3)

1962

Agency Activities in the Miami Area

Agency Responsibility to Female Employees (Under 21)

Morale in the Special Intelligence Library

Threats to the Director

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Handling of Intelligence Information During the Cuban
Arms Build-up

Report to the President's Foreign Intelligence Advisory
Board on the Cuban Arms Build-up

1963

Contract Employment of Dependent Wives Overseas

Fitness Reports

Report to the President's Foreign Intelligence Advisory
Board on U.S. Foreign Intelligence Objectives

Personnel Security in CIA

Report to the President's Foreign Intelligence Advisory
Board on Personnel Security in the CIA

1964

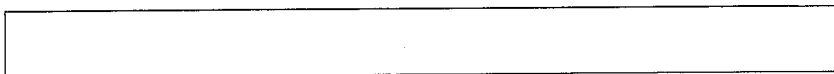
Foreign Intelligence Liaison Representatives

Handling of Defector Goleniewski

Inquiry Into Operational Security of CIA Activities
in the Miami Area

Handling of Returnee Assignments by the Clandestine
Services Career Service

Investigation of CIA Domestic Installations



(b)(1)
(b)(3)

Special Study for the Director

1965

Inquiry Concerning OSA-NPIC Coordination on Missile C025C

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CIA Watch Mechanisms*

Real Property Accountability

Industrial Security

CIA Regulatory Issuances

Travel Administration

1966

Entrance on Duty and Exit Processing

CIA Intelligence Publications

[REDACTED]

(b)(1)

(b)(3)

Dissension in NPIC's Photographic Laboratory Branch

Study of the Procurement Systems of CIA

Agency Regulation on Payment of Night Differential

Management of Non-Staff Personnel

Studies on CIA Shortage and Loss Procedures

The Role of the Inspector General in Cases of Shortages,
Losses, and Misuse of Official Funds

Employment of Retired Former Government Employees

Foreign Intelligence Collection Requirements

1967

Agency Proprietary Activities

Career Training Program

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Control of Classified Documents and Related Matters

Agency Honor Awards Program

(b)(3)

Loss of 14 July 1967 Copy of PDB for JCS

Security of CIA Courier Systems

Special Report for the Director

1968

Morale in the Clandestine Service

1969

(b)(1)

(b)(3)

Married Couples in the Agency

(b)(1)

(b)(3)

Vietnamese Piasters - Budgeting, Accounting, and Audit Practices

Aircraft Loss and Replacement

(b)(3)

Loss of Documents

(b)(1)

(b)(3)

(b)(1)

(b)(3)

Planning, Programming, and Budgeting Systems

Control of Firearms

1970

Survey of Job-Related Attitudes

Foreign Language Program

Summer-Only Employee Program

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Format Staff Funding Activities

The Drug Problem Among Dependents Abroad

Security of [REDACTED]

(b)(1)

(b)(3)

1971

Central Accessibility of Sensitive Personnel Information

Information Management in the Agency

Working House in the FMSAC Operations Center

Review of Full-Time Academic Training

(b)(1)

(b)(3)

[REDACTED] [REDACTED]
Orientation for Wives

Liaison with Foreign Intelligence Services

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